

<b>Title of Report</b>	<b>ASHBY BUSINESS IMPROVEMENT DISTRICT</b>	
<b>Presented by</b>	Councillor Tony Gillard Business and Regeneration Portfolio Holder	
<b>Background Papers</b>	None	<b>Public Report:</b> Yes
		<b>Key Decision:</b> Yes
<b>Financial Implications</b>	<p>The Ashby Business Improvement District (BID) proposals have a number of financial implications for the council which are set out in this report.</p> <p>If the Ashby BID is approved at ballot then NWLDC will become the collecting authority for the additional levy. This will have both staff resource issues for the Leicestershire Revenues &amp; Benefits Partnership and software and licence costs.</p> <p>A recommendation of this report is request an allocation of up to £20,000 from the existing Growth Plan Earmarked Reserve to meet the estimated licensing costs of the BID module, alongside the administrative costs of the Partnership to collect process the levy billing and collection.</p> <p>If the Ashby BID is approved at the ballot, as a levy payer, the council will be liable for an estimated £1,124 per annum for the lifetime of the BID.</p>	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	<p>Should the Ashby BID ballot be successful and the BID is formed, the responsibility for billing, collection and any subsequent enforcement will be on the local authority under the Business Improvement Districts (England) Regulations 2004.</p> <p>The Councils legal department are overseeing the drafting of an Operating Agreement between the BID and the Local Authority that sets out both parties' roles and responsibilities throughout the lifetime of the BID.</p>	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	<p>Leicestershire Revenues and Benefits Partnership – The Revenues and Benefits Partnership will be responsible for the management of billing and collection of the BID Levy.</p> <p>Finance - The Council finance team will be required to undertake the accounting procedures and monitoring as set out within the Operating Agreement.</p>	

	<p>Democratic Services - The undertaking of the Ashby BID ballot has been outsourced to a third party and therefore no staffing implications for Democratic Services in relation to the Ashby BID.</p> <p>Ashby BID will be managed by a Company Limited by Guarantee with Directors elected from businesses who are members. As a levy payer to the BID, NWLDC will have a choice on whether to become members of this Company.</p> <p><b>Signed off by the Head of Paid Service: Yes</b></p>
<p><b>Purpose of Report</b></p>	<p>To inform Cabinet of the Ashby Business Improvement District and implications for the Council.</p>
<p><b>Reason for Decision</b></p>	<p>To seek support from Cabinet for the Ashby BID and, should the BID be approved, approve financial contributions towards the Ashby BID as set out in this report.</p>
<p><b>Recommendations</b></p>	<ol style="list-style-type: none"> <li>1. <b>REVIEW THE ASHBY BID PROPOSALS SET OUT IN THIS REPORT.</b></li> <li>2. <b>DELEGATE AUTHORITY TO THE STRATEGIC DIRECTOR OF PLACE IN CONSULTATION WITH THE BUSINESS AND REGENERATION PORTFOLIO HOLDER TO MAKE 5 VOTES IN FAVOUR OF THE ASHBY BID AT THE JULY BALLOT, SUBJECT TO SATISFACTORY PROPOSALS SET OUT IN THE FINAL ASHBY BID BUSINESS PLAN.</b></li> <li>3. <b>SUBJECT TO THE ASHBY BID BEING APPROVED AT THE BALLOT, APPROVES THE ALLOCATION OF UP TO £20,000 FROM THE EXISTING GROWTH PLAN RESERVE TO FUND THE ESTIMATED COSTS ASSOCIATED WITH BILLING AND COLLECTION OF THE BID LEVY.</b></li> <li>4. <b>SUBJECT TO THE ASHBY BID BEING APPROVED AT THE BALLOT, CONFIRMS THE ALLCOATION OF £1,124 PER ANNUM (SUBJECT TO REASONABLE INCREASES YEAR ON YEAR TO RECIPROCATE INCREASES TO BUSINESS RATES) TO FUND THE LEVY OBLIGATIONS ON NWLDC OWNED ASSETS.</b></li> <li>5. <b>RECOMMENDS THAT, IN THE EVENT OF A SUCCESSFUL BALLOT, THE FULL COUNCIL APPROVES THE PROPOSAL FOR THE COUNCIL TO JOIN THE ASHBY BID COMPANY AND PARTICIPATE IN THE INCORPORATION OF IT</b></li> </ol>

	<p><b>6. RECOMMENDS THAT, IN THE EVENT OF A SUCCESSFUL BALLOT, THE FULL COUNCIL APPROVES THE ENTERING INTO OF A MEMBERS AGREEMENT, ARTICLES OF ASSOCIATION AND ASSOCIATED DOCUMENTS WITH HE BID COMPANY AND DELEGATES AUTHORITY FOR NEGOTIATING AND AGREEING THE FINAL MEMBERS AGREEMENT, ARTILCES OF ASSOCIATION AND ASSOCIATED DOCUMENTS TO THE DIRECTOR OF PLACE IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR BUSINESS AND REGNERATION</b></p> <p><b>7. NOTES THE POWER DELEGATED WITHIN THE CONSTITUTION TO THE CHIEF EXECUTIVE TO APPOINT A REPRESENTATIVE OF THE COUNCIL TO THE ASHBY BID COMPANY BOARD OF DIRECTORS</b></p>
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## **1.0 BACKGROUND**

- 1.1 On 8 April 2021, North West Leicestershire District Council Officers were invited to meet with a consortium of Ashby businesses and The Mosaic Partnership to discuss their proposals for a Business Improvement District (BID) for Ashby de la Zouch. The Mosaic Partnership, based in Staunton Harold, are a consultancy who specialise in the development of BIDs and have supported over 100 places to develop successful BIDs.
- 1.2 BIDs were first introduced in England and Wales through the Local Government Act 2003. 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 businesses in the area.
- 1.3 In the BID area businesses get together, decide what improvements they want to make in their town, how they will manage these improvements and what it will cost them. These proposals form a Business Plan for the BID area which act as a manifesto for the creation of the BID. Levy paying businesses within the BID area are then asked to vote for or against the formation of the BID.
- 1.4 The Levy charged onto businesses creates a sum of money to manage and deliver projects identified within the business plan to improve the trading environment and ultimately increase trade for those businesses who are paying for the improvements through the levy.
- 1.5 BIDs can only fund and deliver additional projects and services over and above those already provided by public bodies.
- 1.6 BIDs lasts for a maximum of five years and must be able to demonstrate how it benefit the businesses paying the levy. Once the term is completed the BID will automatically cease. If the BID wants to continue its activities it must hold a new ballot.
- 1.7 There are successful BIDs already in operation within the Leicestershire Market Towns of Hinckley, Loughborough and Melton.

## 2.0 ASHBY BID PROPOSALS

- 2.1 The Ashby Town Centres Traders group (ATCT) have been contemplating an Ashby BID and in October 2019 made a BID feasibility study presentation to the group's membership. However, the development of the Ashby BID was put on hold in March 2020 due to the coronavirus pandemic
- 2.2 In January 2021 the ATCT recommenced the BID proposals and developed the Draft Ashby BID Business Plan. – Draft attached as Appendix 1.
- 2.3 The Ashby BID Business Plan sets out proposals to create a defined BID area that includes all of the town centre and stretches north along Smisby Road to Ivanhoe Business Park and eastwards along Nottingham Road incorporating the edge of centre retail at Resolution Road, Coalfields Way and Lountside.

Map.1



- 2.4 The proposed BID area includes over 300 businesses and the BID Business Plan proposes to charge a 2% levy to eligible businesses. A 2% levy will generate an estimated £175,000 per annum projects set out within the plan.
- 2.5 The Ashby BID Business Plan projects are broken down into four key theme areas:
  - Project 1 – Marketing, Promotions & Events
  - Project 2 – Welcoming & Safe
  - Project 3 – Getting Around
  - Project 4 – Business Support
- 2.6 If the Ashby BID is approved, the BID team will set up a not for profit company limited by guarantee to oversee the project.
- 2.7 The current timetable for the Ashby BID proposes the BID pre-ballot campaign commencing in mid-May 2021 and running through until the end of June 2021. The BID ballot papers will be issued on 1 July 2021 with the ballot taking place on 29 July 2021.

2.8 The Ashby BID proposals have a number of impacts on North West Leicestershire District Council. The local authority will be responsible for managing the BID ballot process, manage the billing and the collection of the levy and also contribute to BID as a business rate payer. These responsibilities are summarised later in this report.

### **3.0 ECONOMIC DEVELOPMENT CASE**

3.1 Proposed Ashby BID activities as set out in the Business Plan will support the retail recovery and the reopening of the high streets post Covid 19 and contribute to the objectives within the Economic Growth Plan to ensure that our market towns and local centres are hubs of social and commercial activity and that sustained investment and renewal of our towns will ensure they prosper and meet the needs of current and future businesses, residents and visitors.

3.2 The Leicestershire Market Towns Study noted that some of Ashby strengths as a market town are that it is rich in heritage assets and a strong sense of community engagement, spirit and pride in the town.

3.3 The Market Towns Study also went on to highlight a number of opportunities for the town of which many can be actioned through the BID. Opportunities such as:

- Make more of the heritage tourism offer and supporting tourism infrastructure.
- Develop further the evening economy to encourage extended visitor stays.
- To improve business participation and support of towns activities.
- To establish Ashby as a place to do business and expand the business community that already exist in the town.

3.4 The ATCT anticipate that the benefits of the bid over the five year life will help the town recover from challenges of the Coronavirus pandemic, promote the town and the towns offer to encourage more people to visit and spend, make it easier for people to move into and around the town, reducing business costs and give Ashby businesses the support they need to flourish.

### **4.0 BID BALLOT PROCESS**

4.1 North West Leicestershire District Council will be responsible for managing the BID ballot process. It has been agreed that, for transparency, the ballot process will be outsourced.

4.2 Civica Election Services have been appointed by direct award, in consultation with the Head of Economic Development and Regeneration, to project manage Ashby BID ballot and have been authorised to work with ATCT and the Mosaic Partnership to oversee the process.

4.3 The ballot papers will be issued to eligible levy contributors within the Ashby BID area on 1 July 2021, 28 days before the day of the ballot on 29 July 2021. It is expected that the declaration of ballot results will take place on 30 July 2021.

4.4 North West Leicestershire District Council, as a potential levy payer, will be requested to cast five votes in the ballot, one for each levy eligible asset the council own. The Council qualify as a levy payer due to the national non-domestic rates (NNDR - also known as Business Rates) liability on the Council owned car parks in Ashby and also the public conveniences on Derby Road.

## **5.0 LEVY BILLING AND COLLECTION**

- 5.1 Should the Ashby BID ballot be successful and the BID is formed, the responsibility for billing, collection and any subsequent enforcement will be on the local authority. For North West Leicestershire District Council this role is, and will be, undertaken by the Leicestershire Revenues & Benefits Partnership based at Hinckley.
- 5.2 Officers are working with the Leicestershire Revenues & Benefits Partnership and the Mosaic Partnership (on behalf of the Ashby BID) to explore options for how best to manage and undertake the BID levy billing and collection. A recommendation of this report is request an allocation of up to £20,000 to meet the estimated start-up costs of billing and collection. Should the costs of options for billing and collection exceed £20,000 then officers will return to Cabinet to present further clarity on these costs and make amended recommendations.
- 5.3 In addition, the billing and levy collection will likely incur additional capacity costs for the Leicestershire Revenues & Benefits Partnership to manage this process. It is possible, and expected, that the Council will re-charge the BID for these costs in accordance with the Industry Criteria and Guidance Notes (published by British BIDs annually on behalf of the British Retail Consortium, the British Council of Shopping Centres, the Federation of Small Businesses and the Inter Bank Rating Forum).

## **6.0 LEGAL IMPLICATIONS**

- 6.1 The legislative framework behind the creation and running of BIDs is The Business Improvement Districts (England) Regulations 2004.
- 6.2 Proposing a Bid - Regulation 3 provides that a BID can be set up by the local authority, a non-domestic ratepayer or a person or company whose purpose is to develop the BID area, or that has an interest in the land in the area. In setting out their proposal they shall ask the relevant billing authority (in this case NWLDC) to put the proposals to ballot. The requirements of a compliant BID proposal are set out at schedule 1 of the regulations and must include:
  - (a) the services to be provided, the name of the BID and the type of body of the BID;
  - (b) the existing baseline services;
  - (c) the geographical area;
  - (d) non-domestic ratepayers in the area, how the BID levy is to be calculated, how costs in developing the BID and ballot are to be recovered;
  - (e) class of non-domestic ratepayer and any relief to apply;
  - (f) how the BID may be altered;
  - (g) duration; and
  - (h) commencement of BID.
- 6.3 Type of BID body - The legislation does not require establishment of a BID body before taking forward a BID proposal however best practice suggests a formal structure ahead of ballot.
- 6.4 The BID body can be a private company or partnership. The proposal for Ashby BID is a not-for-profit company limited by guarantee, which is the most common type. A BID could be developed by a local authority but this is unusual and is not the proposal being put forward here.
- 6.5 A company limited by guarantee has the advantages of:

- Any profits being put back into the company
  - The limited liability of individual members
  - Individual members being protected by compliance with the constitution of the company
- 6.6 Holding a Ballot - Regulation 5 provides that 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 NWLDC. There is not a discretion where the requirements of the legislation have been met.
- 6.7 Form of Ballot - The ballot holder may appoint another to undertake the discharge of their functions, in these circumstances the third party Civica. Regulation 7 and Schedule 2 sets out the rules for ballots including time frames, procedures and declaring of results. Regulation 20 provides that expenditure incurred in holding the ballot shall be paid by the billing authority.
- 6.8 Power to Veto - Regulation 12 gives the relevant authority to 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 particular person/business.
- 6.9 Whilst the power to veto is not time restricted, ideally any circumstances likely to render grounds for veto should be identified before the ballot process. Currently nothing has been identified that would give the Council grounds to veto.
- 6.10 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.
- 6.11 Collection of the levy following a successful ballot - Regulation 15 sets out that 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. The authority are able to charge a reasonable fee for this service. The recommended industry standard is a maximum charge of 3% of the annual level income (a charge of £5250 for an annual income of £175,000). Schedule 4 of the regulations sets out how the authority should serve demand notices.
- 6.12 Collection of the levy shall continue for the duration of the BID period.
- 6.13 A formal arrangement has been drafted that sets out the relationship and responsibilities between the Ashby BID Company and North West Leicestershire District Council. The purpose of the Bid operating Agreement is to:
- set out the commencement and term of the Agreement
  - establish the procedure for setting the BID Levy;
  - establish the Councils accounting responsibilities in relation to the BID revenue account
  - confirm the basis upon which the Council will be responsible for collecting the BID Levy;

- set out the enforcement mechanisms for collection of the BID Levy;
- set out the procedures for accounting and transference of the BID Levy;
- provide for the monitoring and review of the collection of the BID Levy;
- confirm the manner in which the Council expenses incurred in collecting the BID Levy shall be paid.

## 7.0 FINANCIAL IMPLICATIONS

- 7.1 Under delegated powers to the Chief Executive Officer the Council have committed £5,000 from an existing Growth Plan Reserve to support the development of the Ashby BID. Of this contribution £2,340 has been committed to appoint Civica Election Services to prepare and undertake the Ashby BID ballot. The remainder of this contribution has been allocated to fund the production and printing of the Ashby BID Action Plan.
- 7.2 If the Ashby BID proposals are voted in at the Ballot, and if the Levy calculation remain at 2% as set out in the Business Plan, North West Leicestershire District Council will be liable for an annual levy contribution of £1,124 per annum. This is presented in the table below.

Table 1.

Property	2017 Rateable Value	Maximum annual levy
Car Park – North Street	£18,500	£370
Car Park – Hood Park	£10,250	£205
Car Park – Library	£13,000	£260
Car Park – South Street	£11,250	£225
Public Convinces – Derby Road	£3,200	£64
<b>Total maximum annual levy contribution</b>		<b>£1,124</b>

- 7.3 As outlined in 5.2 and within the report recommendations, an estimated cost of up to £20,000 will be required to cover the costs associated with the licensing of software and the billing and collection of the Ashby BID levy.

## 8.0 VAT

- 8.1 The BID company set up after a successful ballot is not eligible to reclaim VAT. Nor is VAT chargeable through the levy.
- 8.2 If the levy collects £175k in a year and the Council transferred £175k to the BID Company, whatever they spent it on would be subject to VAT. This means that they could only spend £145k because the rest would be VAT. Instead HMRC have advised that if the levy collects £175k the Council should transfer to the BID Company £210k and the Council could reclaim the £35k VAT.

## 9.0 JOINING THE BID COMPANY

- 9.1 All BID levy payers will be invited to join the Bid Company which will be limited by Guarantee. This includes any Levy payers who voted against the Bid in the ballot. Whilst it is not compulsory, it is common place for the Local Authority to become a member of the BID Company which is limited by guarantee.



- 9.2 The decision to become a member of an outside organisation of this nature is a matter reserved to Council under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000.
- 9.3 A report will be taken to full Council on the 22<sup>th</sup> June 2021 to seek to approval to join the company in anticipation of the ballot being successful. Also to request a delegation to officer level for the ability to negotiate and enter in Articles of Association. This will enable swift action in joining the BID Company in September if the ballot is successful.
- 9.4 Cabinet is asked to support the recommendation to join the Company if the opportunity arises and delegate subsequent decision making to officer level.

#### **10.0 Appointment of a representative to the Board of the BID Company**

- 10.1 Whether we join the company as a member or not, the BID Business Plan has identified that they wish to invite a representative of the Council to join the Board of Directors. It is expected the board will have up of 12 Directors made up of representatives of levy paying businesses and a representative of Ashby Town Council.
- 10.2 The ability to appoint representatives to outside bodies is a Council function delegated within the constitution to the Chief Executive.
- 10.3 Cabinet is asked to support the appointment of a representative of the Council to the Ashby BID Company Board of Directors by the Chief Executive, under the delegated power within the constitution.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	<ul style="list-style-type: none"> <li>- Support for businesses and helping people into local jobs</li> <li>- Our communities are safe, healthy and connected</li> </ul>
Policy Considerations:	<p><b>Local Plan Policy Ec8</b> – The Council will support retail and main town centre development of Ashby de la Zouch</p> <p><b>Economic Growth Plan Challenge 2</b> - Develop the work of the Ashby project to maximise private and public investment into our market towns and continue to support and develop our centres to be vibrant hubs for their communities, businesses and visitors</p> <p><b>Economic Recovery Plan Chapter 8</b> - Supporting retail recovery and the reopening of the high streets post Covid 19</p>
Safeguarding:	No safeguarding considerations made.
Equalities/Diversity:	No equalities or diversity considerations made.
Customer Impact:	If the BID is approved at ballot, businesses with the BID area will have opportunity to access and engage in new initiatives to help support economic development and regeneration of the town.
Economic and Social Impact:	If the Ashby BID is approved at ballot all eligible businesses will be required to contribute a financial levy to fund the work of the BID. The draft Ashby BID Business Plan setting out the aims and outcomes of the bid is attached to this report as appendix 1.
Environment and Climate Change:	No environment and climate change impact as a result of the decision.
Consultation/Community Engagement:	No consultation or community engagement has been led by the Council. The Ashby BID team began the ballot campaign in May 2021.
Risks:	No risks identified.
Officer Contact	Barrie Walford Economic Development Manager <a href="mailto:barrie.walford@nwleicestershire.gov.uk">barrie.walford@nwleicestershire.gov.uk</a>