

Gloucester City Council

Meeting:	Cabinet	Date:	15 July 2015
Subject:	Developing a Business Improvement District for Gloucester		
Report Of:	Cabinet Member for Regeneration and Economy		
Wards Affected:	Westgate		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	1. Potential BID area		
	2. Proposed structure and governance of a BID Task group		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To provide information on the proposal to establish a Business Improvement District (BID) Task Group to consider the feasibility of setting up a BID in Gloucester.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) The principle of a Gloucester BID be supported.
- (2) The establishment of a BID Task Group be supported.
- (3) Authority be delegated to the Head of Regeneration and Economic Development Service, in consultation with the Cabinet Member for Regeneration and Economy to co-ordinate and allocate staffing resources within the Economic Development Team to provide administrative support to the BID Task Group.

3.0 Background and Key Issues

- 3.1 Gloucester City Council's vision 2012 – 2022 and the Joint Core strategy state the Vision as *'Gloucester will be a modern ambitious city which all residents can enjoy'*.
- 3.2 The City Plan: Places, Sites, City Centre Strategy Consultation (Gloucester City Council, May 2013) sets out the following vision for Gloucester City Centre:

'Gloucester will build on its strengths as one of the country's most important historic cities to create a city centre in which Gloucester people are proud, that makes the most of its past and is positive about its future. It will have regained its position as a top performing city centre and will be a strong and connected destination for

shopping, leisure, cultural, business, as well as a place for living and entertainment throughout the day and evening. The city will provide a vibrant, exciting and enjoyable experience for its communities and visitors, drawing on its unique and varied heritage'.

- 3.3 The objective of a BID is to create a business led vehicle that is self-sustaining and that can deliver initiatives that will have a real positive impact on the City and its business community. The BID demonstrates the City Council's ongoing commitment to supporting the City Centre. It is a continuation of many other initiatives including the City Centre Investment Fund, the employment of a City Centre Manager, street cleaning, free WIFI, improved car parks and the Kings Quarter regeneration scheme including a new multi million pound bus station.
- 3.4 BIDs will also receive the support of central government. The 2015 Conservative manifesto pledged to support Business Improvement Districts and "other forms of business-led collaboration on high streets".
- 3.5 A BID is a business led partnership which is created following a ballot process. It is an arrangement whereby businesses in a clearly defined area come together as a group. As a group they agree what projects/initiatives they want to see delivered in their area and that they believe will make a difference to their trading environment and stimulate growth. Appendix 1 contains the potential BID area. This is only indicative and will be considered as the BID proposal is progressed by the Task Group.
- 3.6 The cost of these projects is covered by the revenue generated by the BID levy. Following a successful ballot to establish a BID, all businesses with a rateable property in the BID area are subject to paying a % of their rateable value, as specified in the BID business plan. Payment of the BID levy is legally binding. In setting the levy, due regard will be given to affordability.
- 3.7 There are now over 200 BIDs in operation around the country, with numbers growing each year. The investment into BID areas is appx £200 million, a huge boost to the local economy, to enable business led proposals to be delivered in town and city centres.
- 3.8 A BID can last for a maximum of 5 years, and must be able to demonstrate how it has benefited the businesses who have funded it through their payment of the BID levy. It must adopt complete transparency from both an operational and financial perspective.
- 3.9 Best practice from other successful BIDs acknowledges the requirement to establish a not for profit and private BID Task Group. Having a private, formal all inclusive structure in place at the start of the BID process drives the process forward in a more cohesive and professional manner.
- 3.10 The BID Task Group should include prospective levy payers from all sectors - SMEs, nationals, office, public service providers such as the Police and GCC (Gloucester City Council). New members can be recruited once the initial work has been done to establish the BID area. Members of the BID Task group are ambassadors for the BID and are responsible for steering activities to obtain a successful ballot. Please see Appendix 2 for an indicative structure and governance

of a BID Task Group. The City Council's role as part of this Task Group is separate and distinct from its role as local authority- see paragraph 4.0 below.

- 3.11 The BID Task Group is responsible for putting together a detailed business plan setting out the projects/initiatives that, following consultation with the project coordinators, businesses have identified and will be delivered by the BID on behalf of those businesses in the BID area. The business plan also includes financial and budgetary information.
- 3.12 The business plan will be presented by the BID Task Group to Cabinet in accordance with the BID legislation once the BID Task Group is confident that the final business plan is appropriate. This ensures that it is aligned with Council policies and that the projects/initiatives identified by businesses in the business plan are additional to those already supplied. To this end, baselines of current services will need to be established in consultations with GCC as well as other statutory service providers.
- 3.13 The proposal is for GCC to provide administrative support to the BID Task Group including staff to act as project support in terms of project coordinators. This will include, with consultation, the management and preparation of all outputs as part of the process to establish a BID business plan.

4.0 The role of Gloucester City Council as the local authority

- 4.1 The Department for Communities and Local Government (DCLG) has issued a document entitled 'Business Improvement District, Technical Guide for Local Authorities', which details the core roles and responsibilities that a local authority is required to undertake in relation to the development and management of a Business Improvement District. These include:-
 - a) Being familiar with the BID legislation
 - b) Provision of data from the Rate Listings
 - c) Provision of a statement re Baseline Services
 - d) Collection of the BID Levy
 - e) Ensuring the BID Ballot is operated in line with the BID legislation
- 4.2 GCC needs to be satisfied that the submission from the BID Task Group includes a copy of the BID proposal, details of the consultation undertaken, details of the finances and financial management. This is likely to be the BID Business plan, the document on which businesses will vote.
- 4.3 GCC will be liable for the payment of the BID levy for any property for which it pays business rates and is in the BID area.
- 4.4 GCC resources in terms of staff members should be put in place to undertake the local authority responsibilities of establishing a BID for Gloucester and a further report will be submitted to Cabinet when a BID Proposal is submitted for approval.

5.0 Alternative Options Considered

- 5.1 The alternative option considered is the “Do Nothing” option. This would mean that the additional resources would not be available to support the City Centre for the foreseeable future, unless found from other sources.

6.0 Reasons for Recommendations

- 6.1 The establishment of a Gloucester BID is considered the right option as it would provide additional resources to support the City Centre and would give businesses control over how they were deployed. The services the BID provides would be over and above existing activity, however the opportunity and decision rests with the businesses.

7.0 Future Work and Conclusions

- 7.1 Following approval of this report, a considerable amount of further specific work will be required to establish the BID Task Group. Further reports will be brought to Cabinet on progress and decisions as the relevant local Authority

8.0 Financial Implications

- 8.1 The full cost to GCC will only become known once full details of the proposal, which will be detailed in the BID business plan, are known.
- 8.2 There will be cost implications to GCC following a ‘yes’ vote as GCC has property within the proposed area that would be subject to payment of a BID levy.
- 8.3 Following a ‘yes’ vote, there will be additional costs to GCC for the collection of the BID levy. In addition there will be set up and training costs which may also be incurred. These costs are usually passed back to the BID Company/Organisation.

9.0 Legal Implications

- 9.1 The legislative framework for BID areas is contained in the Part 4 of Local Government Act 2003, the Business Improvement Districts (England) Regulations 2004 (as amended) and, for property owner BIDs, the Business Rate Supplements Act 2009 and the Business Improvement Districts (Property Owners) (England) Regulations 2014 (BID legislation).
- 9.2 As set out in the report, it is important to recognise the different roles and responsibilities of the local authority within this process, particularly the clear distinction of its role as a member of a larger BID Task Group, its role and responsibilities as the relevant local authority as set out in the BID legislation and the right to cast a bid in respect of its own properties.

10.0 Risk & Opportunity Management Implications

- 10.1 The primary risk to the City is one of reputation. The BID process will require careful management. Whilst the City Council may consider the BID as a real opportunity for the City, the decision on whether to approve any BID proposal will ultimately rest with those businesses who form part of the BID area..

10.2 Delivering the BID process will require significant management input however once the BID, should it be approved, reaches maturity, the City Council's direct involvement, will be "light touch".

11.0 People Impact Assessment (PIA)

11.1 There is no direct impact on equalities against any particular group.

12.0 Other Corporate Implications

12.1 Community Safety

No impact

12.2 Sustainability

No impact

12.3 Staffing & Trade Union

No impact

Background Documents: None