

## CABINET - 14TH JANUARY 2021

### Report of the Head of Leisure and Culture Lead Member: Councillor Jenny Bokor

#### Part A

#### ITEM            LOUGHBOROUGH BUSINESS IMPROVEMENT DISTRICT (BID) – 3RD TERM

##### Purpose of Report

A ballot must be conducted of Loughborough town centre businesses on a further five-year term of the Business Improvement District (BID). The purpose of this report is to put in place the legal requirements to enable the Council to deliver on its key roles and responsibilities.

The report therefore seeks the Council's commitment to supporting this process as outlined in the following recommendations:

##### Recommendations

1. To delegate authority to the Chief Executive to undertake the BID ballot.
2. To allocate up to £25,000 from reinvestment reserves to meet the cost of consultation prior to the BID ballot and the ballot itself.
3. To delegate authority to the Chief Executive to agree with the BID Company a baseline of Borough Council town centre services.
4. To delegate authority to the Strategic Director for Corporate Services to agree with the BID Company, if required, an operating agreement to cover the collection of the BID levy.

##### Reasons

1. The Council must consider the respective roles that it may play in the process of developing the BID renewal process in line with BID legislation as a billing authority, as a landowner/ occupier in the BID area and as a ballot holder. The local authority ballot holder remains legally responsible for the ballot process as set out within government regulations.
2. To enable the Council and the BID Company to ensure that the ballot process follows a thorough research and consultation phase that focuses on the needs and requirements of the potential contributors within the area of the BID.
3. It is a requirement of the BID Regulations that the BID proposals include a statement of the existing baseline services provided by the Council and any other public authority in the proposed BID area. This statement will form part of the BID proposals which demonstrate to businesses voting for the BID that the proposed BID services are additional to the baseline services provided by the public authorities.

4. The Council is required is required to manage the collection and enforcement of the BID levy charges known as an Operating Agreement.

### Policy Justification and Previous Decisions

The Loughborough BID Company Ltd, which uses the name “Love Loughborough”, was established in February 2012 after holding a ballot in 2011. Cabinet received a report in June 2011 which set out the advantages of developing a Business Improvement District in Loughborough Town Centre and the financial implications of a BID for the Borough Council. Cabinet agreed to support the BID and deliver a vote in favour of the proposed BID. (Cabinet 9th June 2011 Minute 13).

Cabinet received a further report in July 2016 in relation to a second term of the BID. Cabinet agreed to support the BID and deliver a vote in favour of a second term for the proposed BID. (Cabinet 7<sup>th</sup> July 2016 minute 16.) Prior to this a Cabinet report in November 2015 set out recommendations for Charnwood to support the consultation phase and BID ballot recognising the Councils role in line with BID legislation as a billing authority, as a land owner, occupier in the BID area and as a ballot holder.(Cabinet 19 Nov 2015 minute 72.)

In March 2014 the Government highlighted how the most successful BIDs were those which have established a close and positive engagement with their local authorities, so they ensure each of their obligations towards one another and to agree changes to baseline agreements when appropriate. The recommendations included in this report are in response to the Business Improvement District (England) Amendment Regulations 2013 referred to below.

Part 4 of the Local Government Act 2003 (“the Act”) introduced BIDS. The creation, regulation and operation of BIDs is governed by the provisions of the Act and Regulations made under the Act, the Business Improvement Districts (England) Regulations 2004 (“the Regulations”) which have been amended by the Business Improvement Districts (England) Amendment Regulations 2013. The government has also issued the following guidance:

- Guidance on the Business Improvement Districts (England) Regulations 2004
- Business Improvement Districts: technical guidance for local authorities (“the Technical Guidance”)
- Business Improvement Districts: guidance and best practice (“the Guidance”)

### Renewal Process and Ballot Arrangements

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. It is likely that it will be conducted on behalf of the BID by Civica Election Services (formerly Electoral Reform Services).

The ballot period is 28 days and all businesses in the BID area entitled to vote will be notified of the ballot arrangements and will be sent the ballot papers. Proxy voting can be arranged for those that require it. Love Loughborough in consultation with its

stakeholders has confirmed that it wishes to operate after 2022 and now intends to ballot businesses in the BID area in September 2021.

### Implementation Timetable including Future Decisions and Scrutiny

For the Council to deliver on its responsibilities, and following Cabinet approval, the timeframe detailed in the table below will be followed:

| <b>Task</b>  | <b>Indicative timeframe</b> |
|--|-----------------------------|
| Agree base line services with CBC and LCC                              | February - April            |
| Initial Business consultation  | Feb - 2021                  |
| CBC to prepare BID data base   | Feb - March - 2021          |
| Consult businesses on the BID area, Levy and BID                       | April - 2021                |
| Production of BID Proposal   | April - 2021                |
| Production of BID Business Plan  | May - 2021                  |
| Recommendation to Cabinet  | May - 2021                  |
| Supply data base to BID  | May - 2021                  |
| Develop Operating Agreement  | May – June 2021             |
| Production of printed BID Proposal business plan and campaign material | May – June 2021             |
| Notify ERS of ballot date and arrangements                             | June – 2021                 |
| Notify Secretary of State and LA of intention to hold ballot           | June - 2021                 |
| Distribute BID proposal and business plan                              | June - 2021                 |
| Campaign period  | June – August 2021          |
| Publish notice of ballot   | September - 2021            |
| Send out ballot papers   | September - 2021            |
| Ballot period  | September - 2021            |
| Day of ballot  | October – 2021              |
| Ballot holder publish results  | October – 2021              |
| Bid notifies all businesses 3 days of ballot results                   | October – 2021              |

Two further Cabinet reports will be submitted at appropriate dates during 2021 that will set out and seek approval of:

- the BID proposal and business plan
- the ballot to proceed within legal requirements
- the Council vote arrangements and levy payment.

### Report Implications

The following implications have been identified for this report.

## Financial Implications

The cost to the Council to support the BID ballot consultation process including printing and publishing the BID Proposal and Business Plan and delivery of the ballot has been estimated at £25,000. It is proposed to resource this using the reinvestment reserve as it relates to a one-off cost. The use of this reserve requires Cabinet approval and it is recommended in this report that Members approve this request.

Any future financial implications arising as a result of the outcome of the consultation will be subject to a further report to Cabinet

## Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

| Risk Identified  | Likelihood | Impact    | Overall Risk | Risk Management Actions Planned  |
|--|------------|-----------|--------------|--|
| Ensuring that the BID Proposal does not conflict with any existing local authority policy nor propose a disproportionate burden on business by way of an unfair levy charge on a certain 'class' of levy payers, or an inappropriate manipulation of the BID boundary. | Remote (1) | Major (4) | Low (4)      | The BID Proposal will be considered in relation to the Councils policies in advance of going to the ballot Consideration will also be given to charge levels and proportion The proposal will be reviewed to ensure that there is no inappropriate manipulation Consideration would also be given to the proposal in line with guidance provided   |
| Failure to have an updated rating list holder for the provision of Rating List data. (The local authority is required to prepare a document (from its business rate records) showing the name of each business ratepayer within the boundary.)<br>Unlikely             | Remote (1) | Major (4) | Low (4)      | Good practice guidelines will be followed in line with the timetable included in this report; When the Valuation Office Agency updates the ratings list, any changes that have occurred during the consultation period will be forwarded to the BID proposer so that it can be reflected in the voter list where appropriate. The final update should be the last Valuation Office Agency update |

| Risk Identified   | Likelihood | Impact          | Overall Risk | Risk Management Actions Planned   |
|---|------------|-----------------|--------------|---|
|   |            |                 |              | before the Notice of the Ballot   |
| Failure to manage the Ballot in line with regulations Schedule 2 BID regulations. The local authority is required to ensure the ballot is operated in line with the BID regulations | Remote (1) | Significant (2) | Very Low (2) | The responsibilities and proposed timeline will be added to service plans to be delivered under Service Director delegation |

### *Crime and Disorder*

The BID Proposal supports key objectives within the Corporate Plan. It will assist effective partnership work to achieve economic regeneration in Loughborough.

In addition, it will support recycling and reduce waste and improve the attractiveness of Loughborough for new businesses and retailers by contributing to several initiatives including Loughborough in BLOOM, 'Christmas lights' promotions, quality marketing campaigns and improving the appearance of empty shops.

The BID has a commitment to help to reduce crime and anti-social behaviour, improve public confidence through crime prevention initiatives and offer discounted rates to the retail radio scheme in the BID area.

### *Sustainability*

The BID is committed to working in partnership to support key objectives within the Corporate Plan. It will assist effective partnership work to achieve economic regeneration in Loughborough and the delivery of the Town Deal if the bid is successful.

In addition, it will support recycling and reduce waste and improve the attractiveness of Loughborough for new businesses and retailers by contributing to several initiatives including Loughborough in BLOOM, 'Christmas lights' promotions, quality marketing campaigns and improving the appearance of empty shops.

Key Decision: Yes

Background Papers: None

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## Part B

### Background

1. BIDs are business led partnerships which are created following a ballot of businesses in the BID area in order to deliver additional services to local businesses usually over a five-year period. They can be a powerful tool for bringing the business community and local authorities to work together to improve the local trading environment.

2. BID is a defined area in which a levy is charged on all non – domestic ratepayers in addition to the non – domestic rates bill. A BID can only be established, and a levy charged following approval of a proposals setting out what the BID will deliver, via a ballot of the businesses liable to pay the levy. The levy is used to deliver a business plan developed to benefit the businesses in the local area. The business plan should include services that are additional or improvements to the services provided by the local authority.

3. The Government is supportive of BIDs and wants to see more created to help deliver improvements and give businesses a stronger voice in shaping their local area.

### Loughborough BID

4. The Loughborough BID Company Ltd, which uses the name “Love Loughborough”, was established in February 2012 after holding a ballot in 2011. The BID is run by the Loughborough BID Company Limited (Company No. 07994016). It has a Board of Directors comprising of 19 BID levy payers, 2 Borough Council members, 1 County Council member and 5 co-opted members. It is governed by a Memorandum and Articles of Association and it publishes annual accounts which are independently audited. It holds an Annual General Meeting.

5. The BID was successful in securing a second term in 2016. In consultation with its stakeholders and Board members “Love Loughborough” has confirmed that it wishes to operate after 2022 and now intends to ballot businesses in the BID area in September 2021.

6. The BID has been successful in bringing partners together to assist with the economic regeneration in Loughborough and improving the prospects of the Town Centre. The annual levy raises a total of circa £230,000 each year to spend on business led projects.

7. At the start of this year and the COVID 19 pandemic it was extremely doubtful if the BID would survive due to businesses not being able to pay the BID levy. The Council provided the following support at the outset of the pandemic:

- The Council waived the collection of the BID Levy fee circa £19,000.
- Supported the BID by providing an office space to allow the BID to give notice on its existing lease.

8. The BID has proved to be resilient to the impact of the pandemic by adapting to the needs of the BID businesses and to date has managed to collect over 87% of the BID levy totalling £200,000.

9. At an early stage to the pandemic the BID board met to agree a change in the published business plan in order to support businesses in the BID area throughout the pandemic. The support provided can be summarised in appendix 1.

#### Council and BID Responsibilities.

10. The Council has a role to play when responding to a BID proposal in line with BID legislation as a billing authority, as a landowner, occupier in the BID area and as a ballot holder. All the Council's responsibilities have been considered and are documented within this report with delegated arrangements outlined to support this work within the required timelines supported by the Cabinet recommendations.

11. The responsibilities for a local authority in enabling the establishment and successful operation of a BID can be summarised under the following headings:

- Being familiar with BID Regulations
- Rating holder list
- Service Provider – for provision of statement of existing baseline services
- Collection of the BID Levy
- Ballot Holder – for provision of Ballot Services
- Sign off the BID proposal
- Notification of Ballot Outcome
- Declaring a Ballot Void
- Termination Procedures.

12. BID responsibilities - there are key steps that must be completed before a BID proposal is ready for being put to a ballot. The BID is required to develop a BID proposal and submit this to the local authority, along with a business plan. The proposal should set out who is liable for the levy, the amount of the levy to be collected and how it is calculated. The BID proposal is legally binding, but the business plan can be changed. The timetable set out in this report has been developed with the BID. The Council will need to sign off the BID proposal and engage with the BID, who are responsible for the production of the following items listed below:

- The BID proposal and business plan
- The services undertaken by the BID as an addition to those provided by the local authority
- The baseline agreements with the local authority
- Establish, confirm the BID body and agree the constitution
- Decide on the area of the BID
- Determine who pays the levy
- Determine the levy to be collected
- Collection of the levy
- Put in place a local marketing and communication drive to engage and inform local businesses

13. There are also important dates that are required to be met, for example legislation requires the BID proposer to send notice of their intention to put the proposals to a ballot to both the Secretary of State and the local authority at least 84 days before formally asking the ballot holder (the local authority) to arrange the ballot. The local

authority must ensure a notice of ballot is published at least 42 days prior to the day of the ballot.

## Ballot

14. The BID has requested financial support to put in place arrangements to effectively engage with local businesses that are likely to be affected by the proposal and become liable to pay the levy.

15. Businesses affected should have the opportunity to be engaged in the development of a proposal and give their views on a proposal to assist with the final proposal.

16. There are 2 sets of documents prepared for the ballot – firstly the document created and issued in accordance with the Regulations; and secondly the campaign and canvassing documents produced by the BID proposer.

17. The £25,000 of proposed Council funding can be broken down into 3 elements:

- Commissioning an external company to put in place a robust process of consultation to develop the proposal in accordance with the regulations and a business plan to take to ballot, this will be in the region of circa £15,000.
- Design and print of campaign and canvassing documents including achievements fact sheet, Survey, Newsletters, Business Plan, posters, and postcards estimated at £7,500.
- Cost of the ballot process which includes all statutory documents, arrangements letter, ballot notification and vote paper plus all design print and postage, estimated at £2,500.

18. This gives a total cost of £25,000 and, as this is a one-off cost for which no budget is available, it is proposed to fund this using the reinvestment reserve

19. This does not take into account the BID management support costs. The BID will oversee the projects and liaise with all businesses over a 6-month period. This cost is estimated to be £20,000 and is covered as a match funding element by the BID.

20. Businesses that will be subject to the levy, (as set out in the BID Proposal) vote in a postal ballot. The ballot is managed by the local authority or someone appointed by them. A successful vote is one that has a majority both in vote's case and in the rateable value of votes cast and 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.

21. The cost of the ballot is based on the number of businesses included within the BID area.

22. The local authority is responsible for drawing up the final list of voters. They will use the list prepared by the BID proposal, having validated a proportion of the entries to ensure their accuracy. As well as the ballot paper the ballot holder must be sent a ballot statement which is an impartial and factual document proving an explanation of the BID arrangements and the ballot procedures. Papers must be sent to voters at least 28 days before the last day of the ballot.

### Baseline services

23. The Baseline Agreement is used to set out existing levels of service provision provided by the local authority and other public agencies enabling a BID to demonstrate the additionally it will provide over the term of the BID.

24. Base line information is required to be signed off by the Council and included in the BID proposal therefore the deadline for the production of this information has been included in the BID timetable.

25. The recommendation to delegate the authority to Strategic Directors will help to eliminate any risk of not meeting the required deadlines and the production of Ballot Material in line with the Regulations.

### Operating agreement

26. The Council is required to manage the collection and enforcement of the BID levy. This requirement is usually delivered under an Operating Agreement. It is best practice for the BID proposer to have drawn up an Operating Agreement with the Council to agree the terms of reference, means of enforcement and the practicalities for the collection of the BID levy, before

### Appendices

Summary of BID activity during COVID19 pandemic.

## APPENDIX

11<sup>th</sup> December 2020

### LOVE LOUGHBOROUGH BID COVID SUPPORT FOR BUSINESSES

The Team at Love Loughborough BID have been reactive and proactive with its support for businesses throughout the pandemic, diversifying projects and initiatives quickly, learning new skills and becoming the point of call for the latest COVID guidance and updates.

Love Loughborough BID is a small team of dedicated individuals who have supported its members 24/7 throughout the pandemic, initially with very little resources or financial support. However, through the support of the team, businesses were able to access grants and funding and were willing to pay their levy with 87% of the levy collected to date.

Here is some of the support the Love Loughborough Team have provided:

- Advice on grant funding and business support through daily eblasts, website and social media channels, including a step by step guide to complete grant application forms.
- Suite of Trading Safety Leaflets to help businesses Manage Customers and Safeguard Employees. These were hand delivered to every Loughborough BID member and can also be downloaded at <https://loveloughborough.co.uk/love-bid/guidance-booklets/>
- A dedicated web page to Coronavirus via its website:  
<https://loveloughborough.co.uk/love-bid/coronavirus/>
- Bulk purchase of PPE Equipment (hand sanitizer, face visors & counter guards) to sell back to members at low cost trade prices <https://loveloughborough.co.uk/love-bid/ppe-orders/>
- Free Social Distancing Floor stickers or [artwork](#)
- Access to Free outdoor social distancing markings and assistance with queue management
- Lockdown Challenge competitions with over £600 of Love Loughborough Gift Vouchers as prizes to encourage shoppers back to the town centre
- [Digital trails](#) through our [LoyalFree App](#) which includes:
  - Home delivery & takeaways
  - Eat Out to Help Out
  - Gift Voucher Trail

- Launch of a FREE e-commerce site 'shop.loveloughborough.co.uk to enable businesses to trade online
- Launch of local Gift Voucher sales through shop.loveloughborough to keep spend local
- Launch of #ShopLocal #ShopSafe #ShopLoughborough in partnership with Charnwood Borough Copuncil
- Retail Radio and direct access to CCTV throughout Lockdown and Tier periods
- Weekly updates from Police patrols to ensure closed properties were safe
- Recycling collections throughout the period.
- Love Loughborough Ambassador available for any covid compliance issues and crime and safety issues
- A key partner on the Night-Time Economy (NTE) Recovery Partnership and the Loughborough Central Delivery Group (LCDG)
- Partnership working with Charnwood Borough Council on the COVID Economic Recovery Plan
- Free posters to establishments needing customers to wear masks.
- Provide a live footfall monitor to enable visitors to see how busy areas of the town are before visiting.
- Over 1400m of Christmas Icicle lighting for shop fronts and festive lighting on High Street
- Robust marketing campaign for #shoplocal including advertising, media, social media and direct mail promotions.

We have consistently monitored footfall to ensure the town centre has been a safe place to visit and to balance the encouragement of shoppers back to the town in safe measures.

We have also submitted a £5million project application as part of the £25 million Loughborough Town Fund to make significant improvements to Loughborough Town centre within the next 2 to 5 years <https://www.loughboroughtowndeal.co.uk/>

Our small team have been working flat out to support Loughborough's businesses delivering support, advice and campaigns to ensure Loughborough survives this pandemic.

Lisa Brown

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***Love Loughborough BID Team:***

***Kelly Hill, BID Co-Ordinator*** – For all your social media promotions, Loyalfree offers & trails, website listing, recycling enquiries and general business support & promotion.

[manager@loveloughborough.co.uk](mailto:manager@loveloughborough.co.uk) (Full Time)

***Charlotte Havis, Digital Engagement Officer*** – For free digital support to help engage with customers and drive business profits through social media platforms, video, websites and digital marketing. [charlotte@loveloughborough.co.uk](mailto:charlotte@loveloughborough.co.uk) (Part Time)

***Celine Patel, Ambassador*** – For immediate response to business crime & safety issues, retail radio, pubwatch radio, CCTV and on the ground business concerns.

[Ambassador@loveloughborough.co.uk](mailto:Ambassador@loveloughborough.co.uk) (Full Time)