

REPORT FROM: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: EXECUTIVE

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COLNE BUSINESS IMPROVEMENT DISTRICT - UPDATE

PURPOSE OF REPORT

To summarise the findings of the Colne Business Improvement District (BID) feasibility study undertaken by Kolek Consulting LTD, seek a decision on BID boundary options and outline the next stages in developing a Colne BID including the implications to Pendle Council (staff time and costs).

RECOMMENDATIONS

1. To note the Colne BID feasibility study.
2. To consider the recommendations in the feasibility study and make a decision on whether to proceed to the next stage of the BID process.
3. Subject to (2) above:
 - (a) agree the proposed composition of the BID steering group and the process for appointing members to the Group;
 - (b) approve a funding allocation of up to a maximum amount of £28,000 to be funded as set out in the report.
4. That the Executive agrees to waive Contract Procedure Rules so as to retain Kolek Consulting to undertake the planning and consultation stage for the BID.

REASON FOR RECOMMENDATIONS

To seek agreement from the Executive to proceed with the next stage of the development of a Colne Business Improvement District.

ISSUE

Feasibility study: Summary

1. The Colne BID feasibility study was undertaken by Kolek Consulting. The full report is provided at Appendix 1.
2. The study had two aims:
 - To gauge opinion and assess the existing attitudes of business ratepayers towards the idea of a BID for Colne; and
 - To begin to explore the technical and financial feasibility of establishing a BID in the town including a consideration of some of the options for a BID in Colne.
3. The study included interviews with 50 Colne businesses across a variety of sizes, types, and locations and also interviews with key stakeholders in Colne.
4. In the survey 80% of businesses supported the general concept of a Business Improvement District and one in five were either unsure or (in the case of several large “multiple” retailers) unwilling to confirm their position regarding BIDs. (The participation of the large retailers is important as if they are not engaged the BID will not be viable.)
5. The study looked at four potential BID areas (Appendix 2):
 - A. Town Centre
 - B. Wider Town Centre
 - C. Commercial District (including Boundary Mill)
 - D. Wider Commercial District (with Boundary Retail Park)
6. The analysis found that options B and C are particularly strong and of an optimum size and scale. These are the recommended options for developing a BID proposal.
7. Income based on the two recommended areas: Appendix 3 outlines the various income possibilities based on varying levy levels and exception rates.

Option B £59,989 - £179,968
Option C - £83,714 - £251,143
8. As well as the willingness for businesses to pay a potential BID levy, businesses were also asked general questions about the current state of Colne and any potential areas for improvement. This is an important part of the process as it can be used to inform any future business plan needed to take a BID forward to proposal and ballot stage.
9. Overall a majority of businesses acknowledged Colne was a town with a bright and attractive appearance, with a loyal local customer base. Negative comments about the town were much less frequent although concerns were raised about: the reduction in footfall; the amount of heavy traffic; the threat from changing shopping habits; and the increase in edge of town developments.
10. Over half of businesses surveyed identified the need for better marketing and promotion of the town and the development of a programme of events and festivals to attract visitors to the town. Other priorities identified included keeping Colne attractive and clean, keeping customers safe and preventing crime, improving the indoor and outdoor markets.

11. The conclusions of the feasibility study are that 80% of those businesses surveyed are willing to pay a levy, and the process could proceed based on areas B or C.

Next steps in developing a Colne BID.

12. Subject to a decision to proceed, the next stage of BID development would be **the planning and consultation stage**, which is estimated to take around 9-12 months to complete. Based on previous experience of BID Development, Kolek Consulting have estimated that this stage would take c80 days (over a period of 12 months) if they were to undertake all the consultation and produce the business plan. Appendix 4 outlines the development stages and estimated timescales. As this illustrates, this is a substantial piece of work which is unlikely to be able to be undertaken in house due to the substantial time demands.
13. Given his involvement in undertaking the Feasibility Study, it is proposed to retain Kolek Consulting to undertake the next stage. On the basis of the proposed number of days, this would cost up to c£28k. The Executive is requested to waive the requirements of the Council's Contract Procedure Rules and give agreement to this appointment.
14. Successful BID campaigns tend to be those that are led by business as opposed to the local authority. As a consequence, it is proposed that Kolek Consulting undertake the work in conjunction with a BID Steering Group. The proposed Steering Group would comprise a range of businesses and stakeholders (including Council Officers) and will be responsible for taking the BID forward to the ballot stage. Equally, it is envisaged that the Steering Group will act as the body which proposes the BID for the purposes of the BID Statutory Provisions. Indeed, it may also be the case that the BID Steering Group is able to undertake some of the activity in the planning and consultation stage thereby reducing the overall cost of the work.
15. To ensure that a majority of the Steering Group are from the business sector it is suggested that the Local Authority nominate one officer/member to be represented on the Steering Group. It is suggested that the Group is made up of a maximum of ten people, with two local authority representatives, seven Colne businesses and Chris Kolek (Kolek Consulting).
16. It is proposed that the Council facilitate the establishment of the Steering Group ensuring that members have the relevant skills and time to progress the BID given the various tasks set out in Appendix 3. Volunteers will be sought through an expression of interest and application process and appointments to the Steering Group endorsed by the Grants for Growth Panel.

IMPLICATIONS

Policy: There are no policy implications arising directly from the contents of this report

Financial: This report sets out the next stages required to develop a BID for Colne. It is estimated that this work could cost up to £28,000 dependent on the level of work undertaken by the BID Steering Group rather than engaging external consultants.

At this time the Council has only allocated funding for the initial feasibility work which has concluded with the submission of this report. There is currently no funding allocated for the next stages of the BID development process. If the Executive agrees to proceed with the next stages it will be necessary to approve a supplementary revenue estimate of up to £28,000 to meet the costs of this activity. This could be funded from the projected revenue budget underspend in the current year. The latest projection, as at the end of January, indicates an underspend of £86,000. This will be confirmed as part of the annual closedown process which is normally reported to the Executive in June.

The outcome of the BID process cannot be determined at this stage and will be subject to a ballot of business ratepayers. Hence, there is a degree of risk associated with the Council's expenditure as ultimately the BID proposal may not be supported by local businesses. However, this report highlights how the risk can be mitigated by adopting a business led approach to the BID at all stages.

Legal: None as a result of this report

Risk Management: None as a result of this report

Health and Safety: None as a result of this report

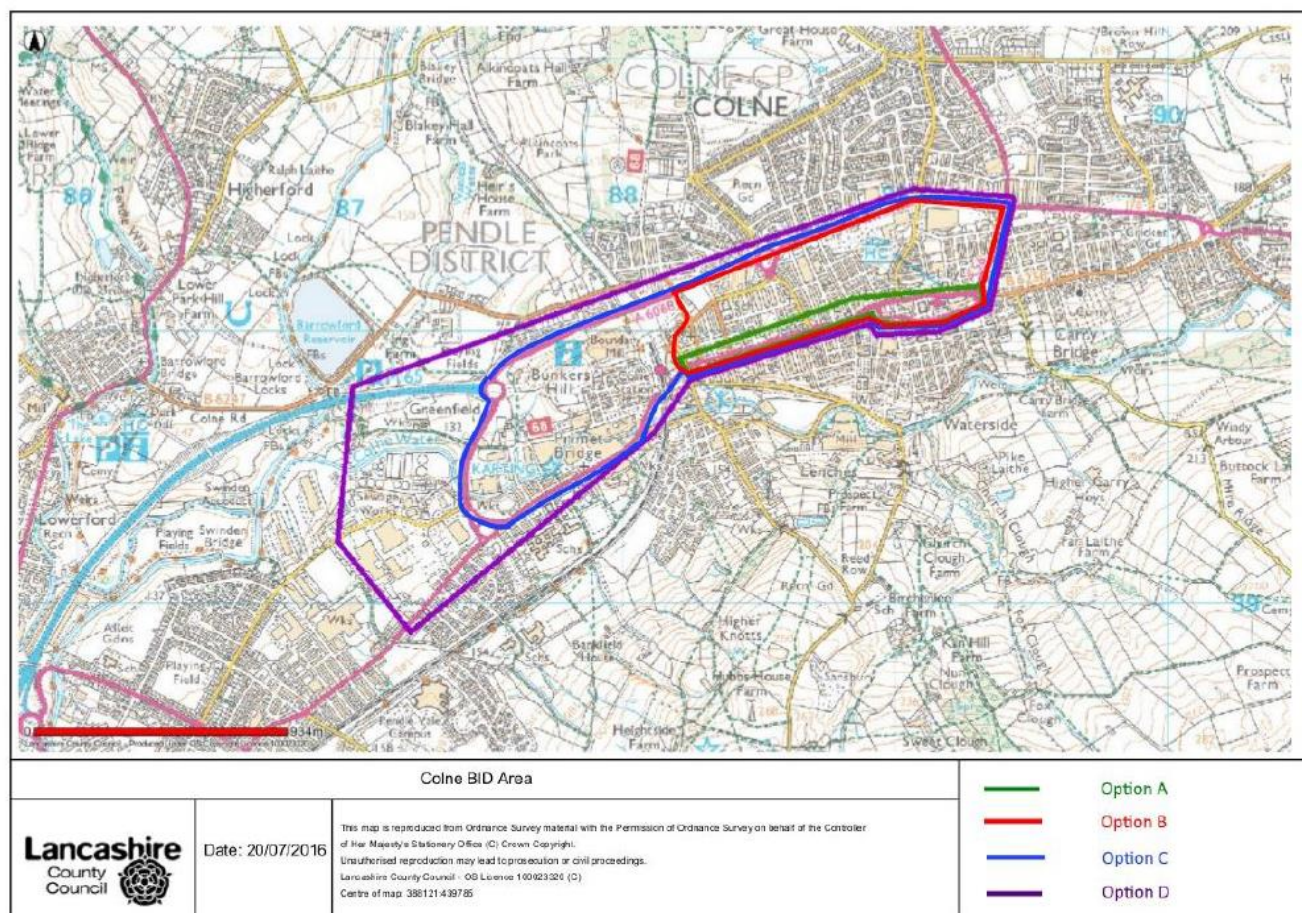
Sustainability: None as a result of this report

Community Safety: None as a result of this report

Equality and Diversity: None as a result of this report

APPENDICES

Appendix – 2 Potential BID Areas



Appendix 3: Recommended options – income levels

Table 2: Option B - Wider Town Centre

No of Business Premises	Exemption Thresholds	Aggregate Rateable Value £	Annual Fund 1% levy £	Annual Fund 1.5% levy £	Annual Fund 2% levy	Annual Fund 3% levy
290	None	5,998,930	59,989	89,984	119,979	179,968
220	<£3k	5,872,180	58,722	88,083	117,444	176,165
197	<£4k	5,790,080	57,901	86,851	115,802	173,702
169	<£5k	5,664,830	56,648	84,972	113,297	169,945

Table 3: Option C- Commercial District (including Boundary Mill)

No of Business Premises	Exemption Thresholds	Aggregate Rateable Value £	Annual Fund 1% levy £	Annual Fund 1.5% levy £	Annual Fund 2% levy	Annual Fund 3% levy
344	None	8,371,420	83,714	125,571	167,428	251,143
244	<£3k	8,195,180	81,952	122,928	163,904	245,855
218	<£4k	8,102,880	81,029	121,543	162,058	243,086
188	<£5k	7,968,680	79,687	119,530	15,374	239,060

Appendix 4 – Development Process and timescales

Task ID	Key Tasks	Days
1	Project initiation and management	
1.1	Prepare PID & inception meeting with BID Group	1
1.2	Regular meetings with BID Group	6
1.3	Project management & administration including website, social media	4
2	Intelligence gathering	
2.1	Review findings of BID feasibility and desk research other studies/reports	1
3	Informing & awareness raising	
3.1	Develop communications & information plan	1
3.2	Prepare media release and secure media coverage "BID for Colne"	1
3.3	Set up Colne BID communication tools: website, twitter, etc	3
3.4	Building contacts with upto 250 businesses, including database	8
3.5	Prepare & distribute BID information & feedback leaflet	2
4	Consulting ratepayers	
4.1	Organise & hold two consultation events	2
4.2	Prepare & distribute consultation questionnaire	8
4.3	Survey analysis & report of findings	2
5	BID mapping	
5.1	Workshop to consider BID area options	2
5.2	Define & map preferred BID area	1
6	Preparing BID Proposal	
6.1	Research & analysis to identify priorities and create projects long list	3
6.2	Organise & hold two focus groups to test emerging proposals	2
6.3	Draft BID proposal and business plan	6
6.4	Edit, finalise and sign off content of BID Proposal	1
7	Notice of Intent	
7.1	Preparation and submission of 84 days (12 weeks) formal notification	1
8	Agreements with partners	
8.1	Input to preparation of baseline service agreement	1
8.2	Input to preparation of draft operating agreement	1
9	Vote YES campaign & ballot	
9.1	Prepare documents for design & print	3
9.2	Dissemination of BID Proposal document	5
9.3	Coordinate Vote YES campaign, publicity & events	5
9.4	Facilitate organisation for BID ballot with PBC & ERS	1
10	Governance	
10.1	Recruitment of directors	3
10.2	Open meeting and selection/appointment of directors	2
10.3	Preparation of constitution/articles of association	3
10.4	Registration of BID company	1
TOTAL DAYS		80