

**REPORT FROM: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT SERVICES MANAGER**

**TO: POLICY AND RESOURCES COMMITTEE**

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## **COLNE BUSINESS IMPROVEMENT DISTRICT (BID): IMPLEMENTATION**

### **PURPOSE OF REPORT**

To update the Committee on the results of the recent ballot on the proposals for a BID in Colne, and to outline the next stages to implement the BID.

### **RECOMMENDATIONS**

- (1) That Members note the result of the Colne BID Ballot which concluded on Thursday 28<sup>th</sup> June 2018 and the next stages to implement a BID in Colne.
- (2) That the Committee agree which Member of the Committee is nominated to take a place on the Board of the BID Company.
- (3) That delegated authority is given to the Chief Executive to finalise the Operating Agreement and Baseline Service Agreement between Pendle Council and the Colne BID Company.

### **REASONS FOR RECOMMENDATIONS**

- (1) To allow the implementation of Colne BID to continue in accordance with the BID regulations.
- (2) To allow the BID to develop in line with the recommended timescales and a Colne BID Company to be setup by October 2018.

### **BACKGROUND**

1. The Housing, Health and Economic Development Services Manager submitted a report on progress made with developing the BID for Colne to the Executive on the 15<sup>th</sup> March 2018. Subsequently following the agreement from the Executive all relevant notices had

been received and the BID was at a stage where a date for the ballot could be set (Final ballot day 28<sup>th</sup> June 2018).

2. The following ballot process has taken place, in accordance with the BID Regulations the Business Improvement Districts (England) Regulations 2004):
  - The BID proposer provided a copy of the BID proposal and business plan, which also included all of the details stated in Schedule 1 of the Regulations to the Council. The full proposal and business plan can be viewed <http://www.colnebid.co.uk/bidproposal/>
  - A notice in writing requesting the Council to instruct its Returning Officer to hold a BID ballot in relation to the BID proposals and that finances were available to cover the cost of the ballot in the event it failed and the number of persons voting in favour was less than 20% of the number of persons entitled to vote had been received.
  - The BID proposal did not conflict with any existing Council or other public authority policy.
  - The BID did not impose a disproportionate burden on particular businesses by way of an unfair levy charge on a certain class of levy payers, for example by an inappropriate manipulation of the BID boundary.
  - The Returning Officer was instructed and held the BID ballot which concluded on 28th June, 2018.
3. The Colne BID Ballot took place between the 31<sup>st</sup> May and 28<sup>th</sup> June 2018. Businesses eligible to vote in the ballot were the non-domestic ratepayer listed on the Council's database for each hereditament (business premise) situated in the geographical area of the proposed BID.
4. Each person entitled to vote in the ballot had one vote in respect of each hereditament occupied or (if unoccupied) owned by them in the geographical area of the proposed BID. In total

## **Ballot Results**

5. The Ballot results returned a majority in favour of proposal for a Business Improvement District in Colne, both in terms of votes cast and aggregate rateable value.
6. The number of votes cast in favour of a BID was 87, or 74% of voters, and £910,000, or 62%, of the rateable value of votes cast (Appendix 1 – Summary of ballot results)

## **Timescales**

7. The first stages in the implementation of the BID are to formulate the BID Company and recruit directors. Further details of the Colne BID Board including make-up and recruitment of directors are covered later in this report.
8. The table below briefly outlines the stages which need to be completed to formally start a Business Improvement District for Colne. It is estimated based on best practice from established BIDs that this process will take 10weeks. The indicative timetable is subject to all the relevant legislation been completed and in place to allow the process to continue to the next stage.

<b>Task</b>	<b>Date</b>
Recruitment of directors	July – August 2018
Local Authority prepare draft Operating Agreement	w/c 13 <sup>th</sup> August 2018
Inaugural Meeting of Colne BID Company Limited	4 <sup>th</sup> September 2018
Registration of BID company	w/c 10 <sup>th</sup> September 2018
First meeting of Company Board of Directors	w/c 17 <sup>th</sup> September
Billing of BID levy to begin	Dependent on Liberata systems update/implementation and in consultation with Colne Bid company.

9. Both parties (PBC and Colne BID Ltd) need to confirm the arrangements by which the BID Levy shall be collected together with general arrangements as to the relationship to be established between the Council and the BID Company for the duration of the BID. This is captured in an Operating Agreement, a draft of which is provided (Appendix 2).

10. The purpose of this Agreement is to:

- Establish the procedure for setting the BID Levy
- Confirm the basis upon which the Council will be responsible for collecting the BID Levy
- Set out the enforcement mechanisms available 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's expenses incurred in collecting the BID Levy shall be paid
- Preparation and commitment to the baseline service agreements, based on the Baseline Service Statement provided by the Council and other partners as part of the BID Proposal.

11. The key points of the operating agreement are:

- Colne BID Ltd is responsible for the operation of the BID and for using the BID Levy for the purposes of achieving the objectives and aspirations set out in the BID Arrangements.
- PBC is the billing authority for the purposes of the Local Government Finance Act 1988 and the BID Statutory Provisions and is responsible for collecting the BID Levy and administering the BID Revenue Account for the Colne BID.
- The BID levy will be 1.5% of the 2017 rateable value shown on Pendle Borough Council's (the billing authority's) NNDR billing system.
- Ratepayers with a RV of less than £3,000 will pay nothing for these hereditaments and will not have a vote for these hereditaments although they will enjoy the benefits that come with trading in the BID area.

- PBC will supply a final Annual Accounts Report within 30 working days of external audit certification of its accounts for the financial year in question, which accounts include the BID Revenue Account
- Within one month from the Commencement Date the parties shall agree the dates when a Monitoring Group will meet. There will be at least two such meetings in each BID Year (throughout the duration of the BID Term).

12. It is recommended that delegated authority is given to the Chief Executive to finalise the Operating Agreement and Baseline Service Agreement between Pendle Council and the Colne BID Company

### Colne BID Company Board

13. Setting up a Colne BID Company - One of the first tasks in setting up the Colne BID company is to elect a Board of Directors through a process of nomination and, if needed, a ballot. Nominations are invited from those eligible to become members of the new company. This includes all Colne BID levy payers who will be automatically eligible for membership and, once registered, may vote at Annual & General Meetings including the inaugural meeting on Tuesday 4<sup>th</sup> September 2018 at 5.45pm, Colne Town Hall.

14. All eligible businesses will receive an invite to the inaugural meeting and a nomination/application from should they wish to sit on the board of the BID Company.

15. The Colne BID Board will initially be composed of up to 10 Directors. It will be accountable for:

- Upholding and promoting the BID vision and objectives;
- Delivering the four priorities of the BID Proposal efficiently and effectively;
- Promoting the mutual and active support of businesses and partners.

16. This is a voluntary role, as none of the Directors will receive any remuneration. The Board is committed to meeting at least 4 times per year with meetings anticipated to last no more than two hours and held at times carefully planned to maximise attendance and minimise any inconvenience. Sub groups may meet more frequently, for example, to determine the detail of the marketing elements of the programme.

17. The Colne BID Board will be composed of a cross-section of BID levy-paying businesses, organisations and individuals. Ideally the elected Directors of the Board should represent the following:

Sectors (size)	Number of director posts	Distribution
Small retail (typically local independents)	2	The BID Board should, wherever possible, seek to achieve membership from across the BID area.
Large retail (typically national or regional)	2	
Professional & financial services	1	
Hospitality, food & drink	2	
Charitable (including non-commercial)	1	
Other sectors	1	
Local authority	1	

18. It is requested that this Committee agree which Member of the Committee is nominated to take a place on the Board of the BID Company.

19. The rules governing the conduct of BID Company Directors will be set out in the Company's Articles of Association

20. If the number of nominees exceeds the proposed number of Directors' seats, then a ballot may be held. This should only be necessary to select between candidates representing specific sectors where these are over-represented

## IMPLICATIONS

**Policy:** There are no policy implications arising directly from the contents of this report. Although a BID will support the Council's strategy of supporting Town Centres.

**Financial:** The cost of funding a BID co-coordinator (Kolek Consulting) was agreed at a previous meeting of the Executive (16<sup>th</sup> March 2017). This included the implantation and set-up of the Colne BID Company.

**Legal:** The Council need to confirm the arrangements by which the BID Levy shall be collected together with general arrangements as to the relationship to be established between the Council and the BID Company for the duration of the BID

**Risk Management:** None as a result of this report

**Health and Safety:** None as a result of this report

**Sustainability:** The introduction of a BID for Colne, should add to the sustainability and economic viability/success of Colne.

**Community Safety:** None as a result of this report

**Equality and Diversity:** All businesses within and surrounding Colne Town centre have been given the opportunity to express their interest in sitting on the Colne BID steering group.

## APPENDICES

Appendix 1 – Summary of ballot results

Total number of votes cast in the ballot, excluding any given on ballot papers rejected	117
Aggregate rateable value of each hereditament in respect of which a person voted in the ballot	£1,470,100
Total number of votes cast in favour of the proposed Business Improvement District for Colne	87
Aggregate rateable value of each hereditament in respect of which a person voting in the ballot has voted in favour of the proposed Business Improvement District for Colne	£910,000

Appendix 2 – Colne BID Operating Agreement

## LIST OF BACKGROUND PAPERS