

REPORT FROM: ASSISTANT DIRECTOR PLANNING, BUILDING CONTROL AND REGULATORY SERVICES

TO: EXECUTIVE

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**COLNE BUSINESS IMPROVEMENT DISTRICT (BID)
DEVELOPMENT UPDATE**

PURPOSE OF REPORT

To update the Executive on progress made with renewing the Colne BID, including the next stages of development required to move forward to a ballot.

RECOMMENDATIONS

- 1 That the Council continues to support the efforts of the Colne Business Improvement District (BID), as they seek re-election for a second term.
- 2 The Council agrees to support the BID ballot on Thursday 29th June 2023.
- 3 That should the ballot agree to the BID continuing the Council agrees to bring forward the date of issue of Levy bills to businesses and their collection.

REASONS FOR RECOMMENDATIONS

- 1 - 3 To support the BID and the process of it seeking a continuation for a further 5 years.

Introduction

1. Colne Business Improvement District ("BID") was set up 5 years ago aimed at ensuring Colne continues as a vibrant town and town centre. The BID has been extremely active in bringing forward initiatives, seeking funding and holding events over the 5 years it has existed.
2. BIDs operate for 5 years after which they need to hold a ballot of the qualifying rate paying businesses to operate for a further 5 years.

3. This report sets out the process and timetable for that process and seeks confirmation that the Council will continue to support the operation of the BID.

Background

4. A Business Improvement District 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 local area.
5. There is no limit on what projects or services can be provided through a Business Improvement District. The only requirement is that it should be something that is in addition to services provided by local authorities.
6. During its first 5 year term, the BID has raised over £475,000 in Levy income as well as leveraging in a further £50,000 in other public sector funding such as through the Arts Council and the Welcome Back Fund. Key successes of the BID include holding over 20 events such as the Colne Food & Drink Festival, the Winter Bloom Illuminated Parade and the upcoming Soapbox Challenge. It has facilitated 35 shop fronts with a 'lick of paint' grant, paid for a CCTV camera to enhance the network, set up a business crime group to tackle issues across the town, undertaken Christmas activities, purchased Gazebos for town centre use, and set up a virtual high street to support Colne during pandemic restrictions. It also holds regular Brews with the BID to engage with business owners in the BID area.
7. A BID is elected for a maximum term of 5 years. If not renewed before the end of its term it will simply cease to be in law. The first term of the Colne BID came into effect on 1st October 2018 and comes to an end on September 30th 2023.
8. In order that the BID may continue for a further 5 year term, the Colne BID will be seeking re-election in June of this year.
9. The Business Improvement Districts (England) Regulations 2004 sets out the process to be followed for the BID renewal, and this is being followed.
10. This report seeks to update the Council on the renewal process.

Plan for a second term

11. The BID intends to continue on the same general principles. That is;
 - the same defined boundary (see attached BID boundary plan)
 - the same Levy charge (1.5% of the Rateable Value of a premises. Premises with a rateable value of below £3,000 will not be required to pay the Levy).
 - The same four key objectives for the BID; Partnership, Pride, Promote, Protect
12. The baseline services provided by the public authorities in the BID area will also remain the same. A required Statement of this is included within the BID Proposal. It has been reviewed by the Planning, Economic Development and Regulatory Services Manager who confirms that the basic services have not altered. Any proposed BID services are additional to the baseline services provided by the public authorities.
13. The only significant change proposed is to bring forward the billing date for Levy invoices to go out, and the commencement of the collection of these funds. At present:

- The annual BID year commences on 1st October
- The Council, as billing authority sends out bills to Levy payers on 1st May of the following year.
- The BID Levy is due for payment by the business (its deadline for payment) by 1st June each year.

14. This means that bills do not go out to businesses until 7 months into the BID year, with the payment deadline being in month 8. Payments are then transferred to the BID following this. Giving the BID only 3-4 months to make their annual spend each year.

15. To alleviate the cash-flow pressures on the BID caused by these timescales the Council makes an advance payment to the BID. This is a process established within the operating agreement between the council and the BID. Advance payments are made upon request from the BID when required but have themselves been subject to several months delay.

16. There is agreement in principle from the Council's Director of Finance that the billing date can be brought forward to a more appropriate date, as requested by the BID. It is requested that Council approves this change. The proposed new billing date is 1st October 2023.

Process for the election of a BID

17. Colne BID is managed and co-ordinated by a BID Manager, funded by the BID itself. The BID Manager is acting as the BID proposer.

18. The Business Improvement District proposer is required to develop a proposal and business plan, including a consultation with those liable for the Levy and financial estimations. These have been received. They constitute an updated version of the original documents, which remain broadly the same.

19. The ballot holder (the Local Authority's Returning Officer) is required to publish a notice of the date of the ballot and send a copy of this to the Secretary of State by Thursday 18th May (42 days before the ballot).

20. It is recommended that Members confirm the Council does not object to the date of Thursday 29th June 2023 and agree to hold the BID ballot on this date.

Veto of the local authority and conflicts with policy

21. Guidance from HM Government states that 'The local authority can only veto proposals within 14 days from the date of the ballot'.

22. Where the billing authority is of the view that the BID proposals conflict with a policy formally adopted by and contained in a document published by the authority, the authority shall, as soon as reasonably practicable after receiving the proposals, notify the BID proposer, in writing explaining the nature of the conflict.

23. As the local authority established the BID already in 2018 and has continued to support and service it since this time, it was established that the BID did not conflict with any existing Council or other public authority policy. The main policy that could affect the BID is the emerging Colne Neighbourhood Plan. That Plan however has no policies that would conflict with the purpose or operation of the BID. There have been no other known policy changes

that would conflict with the operation of the BID and as such the updated proposal is not expected to create any new conflict.

The Ballot

24. Businesses that are subject to the levy, as set out in the proposals, vote in a postal ballot. This determines whether the scheme goes ahead.

25. Once the Business Improvement District is in operation the levy is charged on all businesses within the Business Improvement District area (regardless of whether or how that business voted in the ballot).

26. The date of the ballot is scheduled for Thursday 29th June 2023.

27. The table below summaries the key milestones and dates that are required to be completed in order to hold a ballot in June 2023.

Task	Timetable
BID Proposal document prepared	January – May 2023
BID Proposal document agreed/finalised by Colne BID Steering Group	April-May 2023
BID Proposal document approved by Pendle Council Executive	May 2023
Vote YES Campaign and Distribution of Proposal to electors	May-June 2023
Publication of 42 days' Notice of Ballot	18 th May 2023
Ballot Day	29 th June 2023
If favourable, BID renewal date	1 st October 2023

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 to PBC of the ballot will be £2,510. This is based on the final number of hereditaments to be balloted, which has been tallied at 357.

The councils elections manager has confirmed that the complete service for the BID renewal ballot will be provided by Electoral Reform Services (part of the Civica Election Services group)

The cost of the ballot is to be covered by the local authority. The elections team have confirmed that the cost can be contained within approved budgets. The Elections team were notified in May 2022 that a ballot would be required and the date of this arranged

As per section 10 of the Business Improvement Districts (England) Regulations 2004. Where:

- The number of persons voting in favour is less than 20% of the number of persons entitled to vote
- The proposals are not approved in the ballot eg the ballot failed to pass
- Or the secretary of state declares the ballot void

Then the billing authority may require the BID proposer to pay the costs of the arranging and holding the ballot.

Legal: The BID ballot should be undertaken in accordance with the Business Improvement Districts (England) Regulations 2004

Risk Management: The risks are that

1. Should the ballot be considered not to have been undertaken in accordance with the regulations, the Secretary of State may void the results of the ballot.
2. A second risk is that a failure of the ballot to pass with electors may result in a request from the local authority for the BID proposer to pay the costs of the ballot. The BID company should demonstrate they have the funds for this In their financial accounts submitted with the proposal.
3. A third risk is that should the BID ballot fail to pass with electors then this would result in a loss of provision of support to Colne town centre.

Health and Safety: None arising directly from this report

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

Community Safety: None arising directly from this report

Equality and Diversity: A consultation has been undertaken with all businesses within the BID boundary, all have also been given the opportunity to express their interest in sitting on the Colne BID steering group.

LIST OF BACKGROUND PAPERS:

- **Colne BID boundary map**
- **Appendix 1 – Colne Bid Proposal and Business Plan**