

APPENDIX 4

Financial Implications for the City Council

1. Levy Collection Costs

- 1.1 The City Council is responsible for collecting the BID levy, and paying over any sums to the BID company.
- 1.2 The set up costs, both for renewals and new BIDs relate to the ICT Digital Solutions costs involved in setting up and testing the new databases needed for each BID. These costs vary depending on the amount of work required to set each one up. A sum for cleansing the present database together with testing and revised set up estimated at £22,495
- 1.3 For the running costs there is an annual ICT Digital Solutions charge for recovery work of £9,991.
- 1.4 The City Council can recharge costs to BIDs, however no charge has ever been implemented on any of Birmingham's existing BIDs for levy collection, set up or running costs, with all such costs currently being funded from Policy Contingency. The potential for an appropriate level of recharge alongside improved partnership working will be kept under review. Meanwhile, it is recognised that BIDs preparing for ballot up to March 2021 require clarity and certainty, therefore the support that has been provided to the existing BIDs is extended to the Westside BID, funded from Policy Contingency.

2. BID levies payable by Birmingham City Council

- 2.1 The BID Proposal, if approved in the relevant BID ballot, requires that all eligible businesses must pay a BID levy. City Council owned / occupied premises in the BID area will also be subject to the BID levy. The table below shows the BID levy costs for the council owned premises.

Property/Address	Directorate	Levy pa £	Possible levy pa £	Rateable Values	Notes
Library of Birmingham	Education & skills	£32,500		RV £3,250,000	
Multi-storey Car Park	Highways Car Parks Inclusive Growth	£3,450		RV £345,000	
Christmas Market	Sport & Leisure Neighbourhoods	£600		RV £60,000	
Brasshouse Centre	Education & skills	£1,940		RV £194,000	
Registry Office	Regulation & Enforcement Neighbourhoods	£3,125		RV £312,500	
ICC	Let		£25,700	RV £2,570,000	No liability unless vacated

Arena	Let		£8,220	RV £822,000	No liability unless vacated
Other properties with a BCC company interest					
Office	Acivico Ltd		£2,020	RV £202,000	No liability
Unit 9 The Wharf, Adoption Service Office	B'ham Children's Trust		£200	RV £20,000	No liability
Birmingham Rep Theatre	CDS assisted		£2,350	RV £235,000	No liability
Performance Birmingham and Symphony Hall	CDS assisted		£2,773	RV £277,250	No liability
Ikon Gallery	CDS assisted		£1,300	RV £130,000	No liability
CBSO	CDS assisted		£890	RV £89,000	No liability
Total annual liability for BCC		£41,615	£43,453	Nominal for future guidance only	

2.2 Whilst Birmingham City Council presently operates a considerable property estate in and around Westside. The majority of our premises are let on terms where the tenant/lessee are responsible for all outgoings including any BID levy payment. In most cases it is expected that presently let properties will remain let and therefore no levy liability will need to be attributed to the City Council. However from time to time during the course of the five year term of the BID premises may become vacant and the City Council will need to undertake payment of the BID levy where this occurs.

2.3 The number of property interests where business rates are payable in a BID area equates to the number of votes available in a BID ballot. The number of City Council interests/votes in the forthcoming ballot will be Five.

3. BID Revenue Account

3.1 The City Council is required to maintain a BID Revenue Account for each BID, for all financial transactions in relation to the BID levy.

3.2 Payments to the BID are proposed as with existing BIDs i.e. two advance payments and a balancing payment in each year. BID operating bodies are advised to consider possible loss on collection and bad debt when conducting their business planning exercises.

3.3.1 These arrangements will be formalised in an Operating Agreement between the City Council and the operating body for the BID.

4. Baselined City Council Services

4.1 In accordance with the BID Regulations, a statement of the existing baseline services (if any) provided by public authorities must be included in the BID Proposal. This helps businesses understand what they are paying for with their BID levies. For Westside BID these include:-

- Streetscene Waste Management Services
- Highway Services, in conjunction with Amey - street maintenance, lighting,
- Parks & Leisure grounds maintenance

The Westside BID will reference these in its consultation with the BID levy payers and in the BID Proposal. However given the financial challenges being faced by the City Council it will be made explicit that city wide services may be reduced or changed and if so this would also apply in a BID area. In such an instance the BID may choose to fund these services.

4.2 This relevant baseline information will be brought together under Service Level Agreements between the operating body for the BID and the City Council.

4.3 The services of other public bodies e.g. West Midlands Police may also require a form of agreement, however, this will be agreement directly between the BID and other public bodies to which Birmingham City Council are not party.

5. Summary of Proposed Financial Support

5.1 The tables below summarises the proposed City Council financial support for Westside BID over the five year term, 28th July 2020 – 27th July 2025.

POLICY CONTINGENECY SUPPORT – Year 1 Costs Only	Unit Cost	Year 1 Total
Businesses Database and revisions and Levy collection set up costs (testing – see 1.2 above)	£22,495	£22,495
POLICY CONTINGENECY SUPPORT - Annual Costs – 5 Years	Unit Cost	
Annual Running Charge – (see 1.3 above)	£9,991	Cumulative
		£49,955

BID LEVY COMMITMENTS	Unit Cost	Cumulative
BID Levy Payments - current BCC Properties (3.1 above)	£41,615	£208,075

	2020	2021	2022	2023	2024
Ballot (earlier report appendix 2)	£4,775				
Database and Set up	£22,495				
Levy payments	£41,615	£41,615	£41,615	£41,615	£41,615
ICT Digital Solutions charge	£9,991	£9,991	£9,991	£9,991	£9,991
Total	£78,876	£51,606	£51,606	£51,606	£51,606
Cumulative Total	£78,876	£130,482	£182,088	£233,694	£285,300