

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

**Report to:** THE LEADER JOINTLY WITH THE CORPORATE DIRECTOR OF PLACE

**Report of:** Acting Director of Regulation and Enforcement

**Date of Decision:** 11 September 2018

**SUBJECT:** BALLOT AND RENEWAL OF SOHO ROAD BUSINESS IMPROVEMENT DISTRICT 2018

**Key Decision:** No

**If not in the Forward Plan:** Relevant Forward Plan Ref: N/A

**(please "X" box)** Chief Executive approved ☒

**Relevant Cabinet Member(s)** O&S Chair approved ☒

**Relevant O&S Chair:** Councillor Ian Ward, Leader

**Wards affected:** Councillor Albert Bore, Chair of Resources O&S Committee

Soho & Jewellery Quarter, Handsworth, Holyhead and Lozells

### 1. Purpose of report:

- 1.1 To obtain support for the ballot process and renewal of a Business Improvement District (BID) (Appendix1) in Soho Road for a five year term, commencing 1<sup>st</sup> April 2019.
- 1.2 To set out and seek agreement and support to the relevant implications for the City Council.

### 2. Decision(s) recommended:

That the Leader, jointly with the Corporate Director of Place:

- 2.1 Supports the outline draft proposals for the Soho Road Business Improvement District (BID) to be operated by Soho Road BID CIC for a second term and the ballot process (Appendix 2), for the renewal in the Soho Road BID area. (Appendix 3)
- 2.2 Approves the detailed provisions relating to finance and services contained in paragraph 4.2 (and in detail at Appendix 4) (principally subject to a successful BID ballot) specifically:
  - One-off ballot cost (£3,535) and ICT Digital Solutions set up charges (£19,253) estimated total at £22,788 to be funded from Policy Contingency
  - Levy payments on nine City Council interests, detailed in paragraph 3.1, estimated at £3,090 per annum for five years plus a small contingency of £500 (£3,590 per annum total), to be funded by the relevant Directorates
  - BID levy collection costs for ICT Digital Solutions estimated at £9,991 per annum for five years (£49,955 total) funded from Policy Contingency.
- 2.3 Authorises the City Council to draft and enter into an Operating Agreement, Service Level Agreements, Memorandum of Understanding and Data Sharing Agreements with Soho Road BID CIC.
- 2.4 Authorises the Chief Executive or her designated Officer to vote 'yes' in relation to the City Council's total of nine votes in relation to the BID ballot specified.
- 2.5 Authorises the City Solicitor and Monitoring Officer to negotiate, execute and complete all relevant documents to give effect to the above recommendations in relation to the BID.

**Lead Contact Officer(s):** Wayne Pell-Walpole, BIDs Ambassador, Place

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### **3. Consultation**

#### **3.1 Internal**

Consultation on the content and implications of this report has taken place with; Relevant Cabinet and Ward Members (Appendix 5), Corporate Director Place, Place Directorate Finance, Corporate Finance, Legal and Procurement Officers. The relevant three budget holders, in Highways for car parks, education for day-nurseries and Libraries for the Council properties in the BID area have been advised.

#### **3.2 External**

Soho Road BID CIC as the BID proposer has undertaken extensive consultation with businesses and stakeholders to demonstrate support for the renewal of the BID. The development work for the BID has been funded by Soho Road BID CIC directly. Soho Road BID CIC have commissioned British BIDs for technical support and guidance through the ballot process. British BIDs are satisfied that the existing BID have conducted their preparation properly and that the business plan will address the needs of businesses in the area. (Appendix 6) Business engagement will continue up to and throughout the ballot period which will commence on 27th September 2018 and end on 25<sup>th</sup> October 2018.

### **4. Compliance Issues:**

#### 4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The establishment of BIDs is consistent with the City council priorities approved by Cabinet in June 2018. The work of Soho Road BID CIC and the BID business plan is deemed to align with the Council's priorities particularly;

- Outcome 1 Birmingham is an entrepreneurial city to learn, work and invest in.
  - Priority 1:**  
We will create opportunities for local people to develop skills and make the best of economic growth.
  - Priority 2:**  
We will strive to maximise the investment in the city and engage local employers to create quality jobs and opportunities for citizens.
- Outcome 3 Birmingham is a fulfilling city to age well in
  - Priority 1:**  
We will work with our citizens to prevent social isolation, loneliness, and develop active citizenship.
- Outcome 4 Birmingham is a great city to live in
  - Priority 1:**  
We will work with our residents and businesses to improve the cleanliness of our city.
  - Priority 3:**  
We will work with partners to tackle rough sleeping and homelessness.
  - Priority 4:**  
We will improve the environment and tackle air pollution.
  - Priority 5:**  
We will work with partners to ensure everyone feels safe in their daily lives.
  - Priority 6:**  
We will foster local influence and Involvement to ensure that local people have a voice in how their area is run.
  - Priority 7:**  
We will work with our partners to build a fair and inclusive city for all.
  - Priority 8:**  
We will enhance our status as a city of culture, sports and events.
- The way we work
  - Supporting Soho Road Business Improvement District particularly strengthens the partnerships with key institution and businesses in this local neighbourhood to create a strong civic family to lead the city.
  - Supporting and working with Soho Rd BID will enable them to take a stronger role in directly delivering services, enabling them and assisting them to lead the business community in the area.

## 4.2 Financial Implications

(Will decisions be carried out within existing finance and Resources?)

An analysis of the financial implications for the City Council (principally subject to a successful BID ballot) is set out in Appendix 4. The key points are:

- (i) One-off ballot and ICT Digital Solutions Set Up costs estimated at £22,788 to be funded from Policy Contingency
- (ii) Levy payments on nine City Council interests estimated at £3,590 per annum for five years (£17,950 total) to be funded by the relevant Directorates
- (iii) BID levy collection costs, estimated at £9,991 per annum for five years (£49,955 total) to be funded from Policy Contingency
- (iv) It should be noted that funding arrangements for BIDs are under review and, depending on the agreed outcome, BIDs may be required to contribute towards costs through BID levy.

<b>Expenditure</b>	<b>Funding</b>	<b>One-Off Cost 2018/19</b>	<b>Annual Cost</b>	<b>5 Year Total Cost 2018/19 to 2022/23</b>
Ballot	Policy Contingency	£3,535	n/a	£3,535
Database and Set up	Policy Contingency	£19,253	n/a	£19,253
ICT Digital Solutions	Policy Contingency	n/a	£9,991	£49,955
BCC Levy payments:	Directorates	n/a	£3,590	£17,950
<b>Total Cost</b>		<b>£22,788</b>	<b>£13,581</b>	<b>£90,693</b>

## 4.3 Legal Implications

- (i) All BIDs must be established in accordance with the provisions contained within the Local Government Act 2003 and the Business Improvement District (England) Regulations 2004.
- (ii) In accordance with the BID Regulations, the 'Notification of Intention to Submit a BID Proposal for Balloting Purposes' must be submitted in a timely fashion to the Secretary of State for the Ministry of Housing, Communities & Local Government. This has been served by Soho Road BID CIC and the City Council notified. (Appendix 7)
- (iii) A formal request to hold the BID ballot has been made by Soho Road BID CIC to the City Council. (Appendix 8).
- (v) As with all BIDs in Birmingham to date, the BID ballot will be conducted by an independent Scrutiniser; Electoral Reform Services, on behalf of the City Council

- (vi) The City Council holds a number of properties in the proposed Soho Road BID area, however the majority are let on long leases and as such represent very limited risk of any liability for business rates. We hold seven property interests where we pay business rates, this will represent nine votes in the forthcoming BID ballot. The Chief Executive or her designated Officer is to be authorised to vote 'yes', in support of renewal of the BID. It should also be noted that the Soho House Museum is let to the Birmingham Museums Trust who will hold a separate voting right.
- (vii) The approved Soho Road BID term 2 will be implemented by Soho Road BID CIC from 1<sup>st</sup> April 2019. The BID Company, will be independent, private sector led and not for profit. The BID will have a Board of Directors, comprising representatives from the area's business community, together with stakeholders including a local ward councillor.
- (viii) The City Council will enter into an Operating Agreement, Service Level Agreements, Memorandum of Understanding and Data Sharing Agreements with Soho Road BID CIC.
- (ix) The decision on whether BIDs are established or renewed rests with the businesses eligible to vote in a BID ballot. As a key partner, the City Council will work towards a positive outcome in any BID ballot.

#### 4.4 Data Protection

The requirements of the General Data Protection Regulations 2018 and Human Rights Act 1998 have been taken into consideration in terms of the processing, management and sharing of data involved in these proposals. A Data Processing/ Sharing Agreement will be drafted and will be entered into with Soho Road BID CIC.

#### 4.5 Public Sector Equality Duty

A copy of the Equality Act 2010 – Public Sector Duty statement is appended (Appendix 9) together with the initial equality assessment screening (Appendix 10).

### **5. Relevant background/chronology of key events:**

- 5.1 A BID is a precisely defined area within which the local business community work together to collectively invest in projects and services to improve the business environment. They provide a vehicle for developing the partnership between business ratepayers and the local authority as well as assisting businesses to play a more central role in managing and maintaining their local environment. Further information on the basic principles of a BID and the existing BIDs in Birmingham can be found in Appendix 1.
- 5.2 BIDs represent a very significant advance in the management of a centre bringing benefits from focussed and committed public / private sector partnerships. They have the potential to make a major contribution by targeting additional and more long-term resources on the management of specific areas and assisting businesses to play a more central role in identifying local needs and managing and maintaining their local environment.

- 5.3 Locally, BIDs are presently active in Wolverhampton, Rugby, Leamington Spa, Derby (2), Stratford-upon-Avon, Nottingham and Solihull. Other major cities which have developed a BID include Liverpool, Leeds, Newcastle, Manchester and Edinburgh. In London, where additional support for the BID model has been provided by the Greater London Authority over fifty BIDs are now in existence and assisting in providing investment across the national capital. In total over 300 BIDs now operate across the United Kingdom
- 5.4 In Birmingham in 2016 Retail Birmingham, Sutton Coldfield, Northfield, Erdington and Acocks Green BIDs all balloted successfully for further terms, as did Jewellery Quarter in 2017 and Kings Heath in February 2018. The city also welcomed its twelfth BID in Harborne this year.
- 5.5 New BIDs have recently been created in Stoke-on-Trent, Leicester and Halesowen.
- 5.6 Further support to the network of BIDs and Towns and Local Centres is being provided by Greater Birmingham and Solihull Local Enterprise Partnership through an emerging strategy currently under development in partnership with BIDs and local authorities.
- 5.7 Birmingham currently has 12 BIDs with a number having entered second or third terms. The BIDs in total have raised in excess of £20 million of additional private sector funding that has been invested in enhancing their localities and so improving the environment for business, visitors and local communities using the centres.
- 5.8 The BID's vision is to enhance the local communities, welcome more visitors and to ensure that businesses are given every opportunity to succeed, trade and grow through representation, support and investment. The draft proposal for the BID term 2 are detailed in Appendix 2. The BID are looking to expand the BID boundary to encompass a greater extent of the Soho Road business area.

## **6. Evaluation of alternative option(s):**

- 6.1 There is currently no alternative option available to the BID model that provides continued guaranteed longer term private investment for specific activities in specific areas funded and prioritised by eligible businesses. The BID model is therefore seen as the preferred way to provide additional and more sustainable resources for the management of specific areas, which is why local partnerships have been encouraged to explore the viability of BIDs and likely level of support from businesses

## **7. Reasons for Decision(s):**

- 7.1 To obtain support for the renewal of Soho Road BID for a further five year term
- 7.2 To obtain agreement to the relevant implications for the City Council

### **Signatures**

### **Date**

Cabinet Member

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Cllr Ian Ward - Leader

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Chief Officer

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Jacqui Kennedy, Corporate Director - Place

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### **List of Background Documents used to compile this Report:**

1. The Nationwide Business Improvement Districts survey 2016 – British BIDs November 2017
2. Towards a Greater Birmingham – ATCM Report on Developing a Strategic Partnership between Birmingham City Council and BIDs March 2017
3. Securing a brighter future for BIDs in Birmingham - 2018

### **List of Appendices accompanying this Report (if any):**

1. The Principles of a BID, BIDs in England, Scotland, Wales and existing Birmingham BIDs
2. Soho Road BID – Outline of the BID Proposal
3. BID Boundary map
4. Financial implications for the City Council
5. Ward Councillor Consultation Matrix
6. Regulation checklist
7. Notification Letter to secretary of State for ballot
8. Soho Rd BID CIC Letter to BCC to hold ballot
9. Public Sector Duty Statement
10. Equality Analysis reference EQUA84