

PUBLIC REPORT

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

Report of: **Acting Director of Regulation and Enforcement**
Date of Decision: **23 July 2018**
SUBJECT: **BALLOT AND RENEWAL OF COLMORE BUSINESS
IMPROVEMENT DISTRICT 2018**
Key Decision: **No** **Relevant Forward Plan Ref: N/A**
If not in the Forward Plan: **Chief Executive approved** ☒
(please "X" box) **O&S Chair approved** ☒
Relevant Cabinet Member(s) **Councillor Ian Ward, Leader**
Relevant O&S Chair: **Councillor Albert Bore, Chair of Resources O&S
Committee**
Wards affected: **Ladywood**

1. Purpose of report:

- 1.1 To obtain support for the ballot process and renewal of a Business Improvement District (BID) (Appendix 1) in the Colmore central business area for a five year term, commencing 1st 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 Colmore Business District BID to be operated by Colmore Business District Limited for a third term and the ballot process (Appendix 2), for the renewal in the Colmore 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 (£9,595) and ICT Digital Solutions set up charges (£15,370) estimated total at £24,965 to be funded from Policy Contingency
 - Levy payments on two City Council interests, detailed in paragraph 3.1, estimated at £24,000 per annum for five years, 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 Colmore Business District Limited.
- 2.4 Authorises the Chief Executive or her designated Officer to vote 'yes' in relation to the City Council's total of two 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.

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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 two budget holders, in Central Administrative Buildings and Highways, for the Council properties in the BID area have been advised.

3.2 External

Colmore Business District Limited 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 Colmore Business District Limited directly. Colmore Business District Limited has reviewed the legislation and are satisfied that they 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 Monday 15 October 2018 and end on Tuesday 20th November 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 Council's outcomes and priorities 2018-2022. The work of Colmore Business District Limited and the BID business plan is deemed to align with the Council's priorities particularly;

- Birmingham is an aspirational city to grow up in
- Birmingham is an entrepreneurial city to learn, work and invest in
- Birmingham is a great city to live in

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 summarised in the table below and detailed in Appendix 4. The key points are:

- (i) One-off ballot and ICT Digital Solutions Set Up costs estimated at £24,965 to be funded from Policy Contingency.
- (ii) Levy payments on two City Council interests estimated at £24,000 per annum for five years (£120,000 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.

Expenditure	Funding	One-Off Cost 2018/19	Annual Cost	5 Year Total Cost 2018/19 to 2022/23
Ballot	Policy Contingency	£9,595	n/a	£9,595
Database and Set up	Policy Contingency	£15,370	n/a	£15,370
ICT Digital Solutions	Policy Contingency	n/a	£9,991	£49,955
BCC Levy payments:	Directorates	n/a	£24,000	£120,000
Total Cost		£24,965	£33,991	£194,920

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 Colmore Business District Limited and the City Council notified. (Appendix 7)
- (iii) A formal request to hold the BID ballot has been made by Colmore Business District Limited to the City Council. (Appendix 8).
- (iv) 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.
- (v) The City Council holds a number of properties in the proposed Colmore BID area, however the vast majority are let on long leases and as such represent very limited risk of any liability for business rates. We hold three property interests where we pay business rates, however one of these falls below the BID threshold for inclusion, thus our total liability for property holdings equates to two (Council House and Livery Street Car Park) which will represent two 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 Birmingham Museum & Art Gallery let to the Birmingham Museums Trust will hold a separate voting right.
- (vi) The approved Colmore BID term 3 will be implemented by Colmore Business District Limited from 1st 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.
- (vii) The City Council will enter into an Operating Agreement, Service Level Agreements, Memorandum of Understanding and Data Sharing Agreements with Colmore Business District Limited.
- (viii) 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 Colmore Business District Limited.

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, 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 the ballot for its twelfth BID in Harborne last year.
- 5.5 New BIDs have recently been created in Leicester and Halesowen, whilst presently new BIDs are being developed in Sheldon and Kidderminster.
- 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 3 are detailed in Appendix 2.

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 Colmore 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. Colmore 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. Colmore Letter to BCC to hold ballot
9. Public Sector Duty Statement
10. Equality Analysis reference EA002869