

BIRMINGHAM CITY COUNCIL

BIRMINGHAM ECONOMY, SKILLS AND SUSTAINABILITY OVERVIEW AND SCRUTINY COMMITTEE 19 FEBRUARY 2016

MINUTES OF A MEETING OF THE BIRMINGHAM ECONOMY, SKILLS AND SUSTAINABILITY OVERVIEW AND SCRUTINY COMMITTEE HELD ON FRIDAY, 19 FEBRUARY 2016 AT 1000 HOURS IN COMMITTEE ROOM 2, COUNCIL HOUSE, BIRMINGHAM

PRESENT: - Councillor Quinn in the Chair; Councillors Barrie, Evans, Hughes, Huxtable, Islam, O'Shea and Rehman

ALSO PRESENT

Councillor Ian Ward - Deputy Leader
Councillor Tahir Ali - Cabinet Member for Development, Transport and the Economy
Craig Buckley – Soho Road BID
Sharon Freedman - Assistant Director, Regeneration
Sandy Gianni – Acocks Green BID
Andrew Ludwig - Senior Revenues Officer
Ojay McDonald – Association of Town Centre Managers
Errol Wilson – Committee Manager
Benita Wishart - Overview and Scrutiny Manager

NOTICE OF RECORDING

66 The Chairman advised and it was noted that this meeting would be webcast for live or subsequent broadcast via the Council's Internet site (www.birminghamnewsroom.com) and that members of the press/public may record and take photographs.

The whole of the meeting would be filmed except where there were confidential or exempt items.

APOLOGIES

67 Apologies for non-attendance were submitted on behalf of Councillors Badley, Jenkins, Jones and Spencer.

An apology for non-attendance was also submitted from Baseema Begum.

UPDATE ON BUSINESS IMPROVEMENT DISTRICTS (BID)

68

Councillor Ian Ward, Deputy Leader and Councillor Tahir Ali, Cabinet Member for Development, Transport and the Economy presented the item.

The Deputy Leader made the following statements: -

- The 2015/16 Budget of the City Council, savings were factored into that budget around the cost associated with the collection of BID levies and the administration of those BID levies. They did not manage to take the proposition forward for 2015/16.
- Last summer a consultation was undertaken with all of the City's BIDs of the proposed Future Model of the cost incurred by the City Council based on a 5% CAP of BID income. Four written responses were received from Colmore, Sutton Coldfield, Northfield and the Jewellery Quarter BIDs. Careful consideration was given to those responses and Colmore BID in particular made representation that the CAP should be on 3% of income not 5%.
- The Council had responded positively to that representation and a Cabinet report was being drafted which would be submitted to Cabinet in March 2016. The draft report proposes a 3% CAP on BID income and for a proportion of charges to be levied to the BIDs for the collection and charges of the BIDs levy.
- The BIDs were invited to make any further representation that they wished to make which would be included in the Cabinet report, provided the representation was received by the 29 February 2016. The Cabinet would make a decision at its meeting in March 2016.
- Sharon Freedman, Assistant Director for Regeneration had made a number of attempts to get feedback from the BIDs on the consultation as they had only received four responses.
- The City Centre BIDs were now part of a City Centre Partnership arrangement and he had attended those meetings. At the last meeting of that Partnership he had raised that issue and had indicated that the City Council was mindful to bring forward a report for Cabinet agreement based upon a 3% CAP of BID income.
- There were no adverse comments made by the City Centre Partnership at that meeting to that proposition.
- There were meetings with the BIDs that had included both Cabinet Members concerning the resource issue which was a real one.

- The City Council had previously employed 21,000 people, but had currently employed about 13,000 people and in a few years' time would employ 6,000 to 7,000 people.
- The number of people working in all areas of the City Council would be significantly reduced and this would continue to be the case. This includes the area of finance where there were fewer resources.
- It was known that there were issues with the process and speed of the process. They would look at the process to see if they could be speeded up, but there was always going to be a balance to be struck between the desire for things to be slick and the amount of resources the Council had available.
- The BIDs could make further representation which would be included in the Cabinet report. The deadline for this was the 29 February 2016. There were a number of BIDs represented at this Committee meeting and he was happy to listen to what they had to say.

(Councillor O'Shea declared his non-pecuniary interest as a member for the Acocks Green BID).

In response to questions, the Deputy Leader, Councillor Ali and Ms Freedman made the following statements:-

1. Councillor Ward advised that there were on-going dialogues with all of the BIDs including the non-City Centre BIDs. Currently, there were discussions with BIDs about how they might deliver local services going forward, but there were discussions also with all of the BIDs about the new operating agreements that had to be signed due to legislation in order that they could share data on an on-going basis.
2. In terms of visiting with non-City Centre BIDs, diary commitments had meant that he was unable to do so, but he would redouble his efforts to make this happen. In Councillor Ali's diary, there were two meetings with the non-City Centre BIDs.
3. Councillor Ward stated that he had asked for meetings to be arranged on his behalf with the non-City Centre BIDs, but unfortunately, his diary commitments had not allowed this to happen. He undertook to make more effort to meet with the non-City Centre BIDs either collectively or individually.
4. There were Elected Members represented on each of the BIDs who were the first point of contact for any BID with the City Council to share responsibility around BIDs with him. The Leader of the City Council could be contacted if BIDs had genuine concerns and they wished to have those concerns heard, his door was open and he was more than willing to listen to what any of them had to say either this morning or anytime in the future.
5. In terms of the CAP, it was made clear that any charge would not be introduced during the period of the BID, but would only be introduced at BID renewal or on the creation of a new BID. The current proposal that would go

to Cabinet refers to BIDs that would be subject to a charge. These were the Jewellery Quarter, Kings Heath, Soho Road, Colmore and Westside BIDs, as their new term begins in September 2017, would be the first. Erdington, Sutton Coldfield, Northfield, Acocks Green and Retail would not be impacted by this at their renewal.

6. The City Council had been subjected to £560m worth of cuts by the Government since 2010. The next financial year involves a further £90m and an additional £250m between now and 2020. As to what the City could do to mitigate the impact of these cuts was always the consideration the Cabinet gives in drafting the budget for each financial year. It would not be possible given the scale of the cuts to completely prevent any impact on any individual in the City or any BID.
7. What would happen as part of the process was that they would reach a baseline with the BIDs on service provision. The proposal was to have a Memorandum of Understanding around highways and street cleansing in particular that would be enforced at the period of any BID renewal. If the Government continues on its current course, the Council would be required to balance its budget and balancing its budget meant that it would have less money to spend.
8. The Deputy Leader noted the Chairman's and Councillor Huxtable's comments regarding the City Centre Partnership and stated that the Chairman was talking about Member representation on the Board, but Cllr Huxtable was referring to the newly constituted City Centre Partnership. He advised that the previous arrangement had fallen into 'disrepair'
9. The current City Centre Partnership arrangement was a reconstituted body and the City Council had a representation on it. He was one of the representatives, but he could not recall who the other representation was from memory and whether there was any other Member representation on the there. Perhaps this was something they needed to go back and look at. This was in the Cabinet report, but he could not recall the exact details from memory. The City Centre Partnership Board was not City Council led, but was BID led.
10. On consultation with the Councillors and Members on BID Boards that was part of the general consultation with BIDs. The assumption by the Council was that in consulting with the BIDs, that consultation would have been with the BID Boards and Members of the City Council represented on BID Boards would have been consulted through that route.
11. On Policy Contingency, the funding of the collection of BID Levies, the administration of that collection was funded by the Policy Contingency in the past and the introduction of this charge would mean that pull on Policy Contingency was less in the future.
12. The Deputed Leader noted the Chairman's comments and Councillor Huxtable's recommendation with regard to the Councillors on the BID Boards appointed by Cabinet at the beginning of the new Municipal Year and advised

that the Councillors had taken this on Board in order to improve their communication. In terms of the Elected Members on BID Boards, a memorandum was sent to all Members on BID Boards informing them of the current position and it was intended to take a report to Cabinet in March 2016.

13. Lifford had moved forward with a BID Ballot which had resulted in a *No Vote*. In terms of the challenge to Sparkbrook and Springfield BID, the outcome was made on a number of points which was upheld by the Department for Communities and Local Government (DCLG) and only Digbeth was also looking to become a BID. They were not aware of anyone else coming forward. It was important to note that the process was business led and the request had to come from them.
14. In terms of the Future Council they had to take cognisance of where they were with the present Council and this was more pertinent. It had to be recognised that they were the largest area in terms of Birmingham and the number of BIDs they had. Digbeth stand a strong chance of becoming a BID and they needed to ensure that those that did come forward were not prevented from doing so.
15. The process was business led and not one that the City Council led on. As part of the Future Council, they could not interfere with the operation of businesses. This was clear in some of the approaches that the Kerslake report had mentioned. It had to be recognised that the reality was that it was a business led approach, where there was an appetite for business to get together and bring forward a proposal.
16. The City Council was supportive of BIDs and once there was evidence of local business support, the City Council would do what was needed to be done to help establish a BID. The City was successful in establishing BIDs. In 2015, there were three BID Ballots that were held – Yes Vote for Westside and Yes Vote for Southside and the proposed Lifford BID had received a No Vote and was a local decision. There was not a lot that could be done as this was unfortunate.
17. This year there were five BIDs going to Ballot – Acocks Green, Northfield, Sutton Coldfield, Erdington and Retail – the City Council was very supportive of that process moving forward.
18. The City Council had and would continue to provide support to both BIDs that had re-balloted and new BIDs coming forward, plus a whole range of different Departments of the City Council. The view that the No Vote was down to finance was accepted, but there was a well organised campaign against that BID which was the reason it was unsuccessful.
19. The Deputy Leader drew the attention of the Committee to the information at the top of page 5 of the document circulated at the meeting and advised that the list of things bullet pointed was the support that the City Council had given to the BIDs. If businesses within the City wished to form a BID, the City Council would speak with them about it.

20. BID arrangements were partnership arrangements locally and partnership with the City Council. Local Members who had a BID within their Ward were encouraged to be involved with the BID. The City Council was not preventing this happening and this would be encouraged.
21. The Deputy Leader noted Councillor O'Shea's comment and advised that BIDs were locally determined and it was a good thing for any local centre to have a BID established and to have that investment then levered in for the local environment and the local community.
22. With regard to financial help for emerging BIDs, the Deputy Leader suggested that the way this could be considered was to look at any case for funding on a case by case basis going forward.
23. Ms Freedman advised that at a recent meeting at the Women's Enterprise Centre, they had a bit where the Deputy Leader stated that it was for businesses to lead whether it be the establishment of a BID, but also having that *grass root* to be able to build up those partnerships. Not every partnership had to become a BID.
24. Ms Freedman stated that a draft paper would be produced to Ward Members involved to look how they might map the business activity to see how they could build up some *grass root swell* of interest that they would then be able to come together as a new partnership board and for them to see that this was a way forward as a BID.
25. It needed to be acknowledged that post a BID ballot, which was unsuccessful in the case of Lifford No Vote, this appeared to be predominantly around an anti-principle of a BID. In Sparkbrook, the DCLG overturned the Yes Vote due to a lack of baseline data. This meant that they had to go back to the grass root and rebuild this again. The approach was mapping a business activity to see if they could facilitate a partnership emerging and for the partnership as businesses with local stakeholders to take this forward.
26. Councillor Ali noted Councillor Evans' comment and advised that in terms of Sparkbrook and Springfield Shadow Board, (the Stratford Road BID), Councillor Evans would be aware that there was a Shadow Board in operation. That Shadow Board did not meet on a regular basis following the overturning of the Yes Vote as they should.
27. There were efforts to convene a Shadow Board as Councillor Rehman stated and he had been working closely with businesses and the Shadow Board. This was about getting everyone involved and if Councillor Evans felt as the only opposition in Hall Green District, that his involvement was not there, perhaps he should have spoken to him or the Deputy Leader.
28. The consultation document that was circulated in summer, four BIDs had responded including Sutton Coldfield and the BIDs must have had that document. BIDs were still able to respond to that consultation document as the Cabinet report was due in March 2016 and they had until the 29 February 2016 to respond.

29. In addition to this document, they would now circulate the draft Cabinet report and BIDs would be able to comment upon that. Ms Freedman needed to indicate whether they would stick to the 29 February 2016 deadline for that report.
30. Ms Freedman stated that in terms of communication concerning the BIDs, there had been some confusion concerning language. During summer there was the consultation paper in which a number of BIDs formally responded. She had met with BIDs and had taken their comments on board.
31. After the Deputy Leader and Councillor Ali had reviewed the commentary and put forward a different proposal, all the BIDs were advised of this by email that the change from the proposal of 5% CAP to a 3% CAP and that the intention was to take this through a report to Cabinet in March 2016 and further comments were welcomed on the proposal and a draft Cabinet report would be circulated. Comments could be made on the proposition as was set out in the email.
32. There was a report going to Cabinet in March 2016. The draft report would be sent to City Council BID Board Members, BID Chairs and Managers. Comments on the draft report was invited up to the first week in March 2016. The report would then be submitted to Cabinet on the 22 March 2016 who would then make a decision.
33. There would be some resource available within the Council so that they could continue to deal with BIDs. Someone would be taking on Ms Freedman's role. The City Council was supportive of BIDs. The Council had supported them in the past and would support them in the future. The Deputy Leader stated that he would personally support BIDs across the City and that the Council would ensure that it had the resource available to continue to support BIDs in the future. BIDs were independent of the City Council and they Council was not there to carry out their role, but would provide a supportive role as necessary.
34. In terms of engagement, they had met with 12 months ago with BIDs across the City. A protocol was then set up where officers were working closely with officers of the BIDs and the Deputy Leader and Councillor Ali was engaged with the respective BID Chairs. As the Deputy Leader set out in his opening remarks, what they did not want to do was (one of the message that came back when they met with the BIDs was that they met with the Deputy Leader and ...) they ensured that they had met unitedly with the respective BID Chairs.
35. It was suggested that rather than meet in the Council House, it would be better if they meet in the respective areas. The worst thing was getting BIDs to come into the Council House and then states that they were working in partnership. They had given commitment to ensure that in terms of partnership approach with the City Council, they had officer support and the respective Members of the City Council that sat on the Boards of the respective BIDs.

36. The Deputy Leader stated that he would like to hear more outside this meeting exactly what the issues were. He was aware that they were currently discussing operating agreements with all of the BIDs and he had suspected that there had been a delay with this going forward. He undertook to have a meeting with the BIDs urgently to ascertain what was happening in order to unlock some of these problems.
37. The Deputy Leader stated that it was not all about business as it was repeatedly stated that it was about partnership. He was not trying to meet with local BID for over a year, but had been trying to meet with local BID since autumn.
38. He reiterated that this had not been proved possible due to diary commitments. Councillor Ali had explained further as to why this was the case. He stated that he was keen to speak with Sandy Gianni, Acocks Green BID concerning the issues she had raised. He added that at the rising of this meeting he would fixed a diary appointment with Ms Gianni to see if they could get to the bottom of the issues.
39. It was believed that the issues concerning the BIDs were similar and if people wished to attend the meeting that would be arranged with Ms Gianni they were welcome to do so. They would see if they could resolve the issues and map out a way forward.
40. A debate then ensued and the Deputy Leader advised that in order to move the issue on it would be better and more constructive to meet with the BIDs to resolve the issues. They had received comments on the draft Cabinet report and Cabinet would make a decision in March 2016.
41. The Deputy Leader noted Ms Gianni's comments concerning the legal issue in relation to BIDs and advised that this matter would be taken up at the meeting with her. He advised that a legal representative would be invited to attend the meeting.
42. He as interested in the idea about a local centre strategic partnership so that local BIDs that were willing to set this up he would be happy to talk to them and be supportive of it.
43. In relation to the City Centre Partnership – City Centre BIDs and partnership with the City Council and other organisations, the intention of the partnership was top meet twice per year and to include the local BIDs. It was understood that it would be more meaningful for local BIDs to have their own partnership body. If this was the route they wanted to go he would be keen to work with them on that issue.
44. The Deputy commented that Councillor Hughes' point was well made concerning the geography of the City Centre and the close facilities for the BIDs in the City Centre. This meant that the City Centre BIDs were able to get themselves organised as they were now and the City Centre Partnership which the Council was now on board with. It was much trickier as there were a number of diversities as pointed out with the local centre BIDs.

Notwithstanding, he was encouraged by the suggestion of a Local Centre Strategic Partnership. If this could be set up and they were partnering in that, they needed to see how successful they could be at moving this forward.

45. In terms of Councillor O'Shea's point concerning the Service Level Agreements, was a difficult one. The City Council budget reduction was of an unprecedented level. The nature and intention of the Government was to narrow the focus of the local government in the future and this would be a moving piece.
46. It was difficult to say without any certainty where they would end up over the next five years. The Government's numbers move from month to month. They would have a number of budgets as they go forward between now and 2020 and would no doubt move the figures even more. They needed to be prepared to be flexible and work genuinely in partnership with BIDs going forward in order to maintain some of the services that local people wanted to see in their locality in the future, but the budget reductions did not make this easy.
47. It was agreed that the Local Centres Strategic partnership could be a way forward that could act as a catalyst going forward. Local Centres were outside the City Centre that cuts across the outer-ring. Nonetheless, it was important that this happened. Looking at the City Centre BIDs, they did not disagree with the points being made.
48. Perhaps it was the Local Centre Strategic Partnership that would act as a catalyst for others to come together – those were not big enough, but in the locality would be able to join with an existing BID. This meant that the isolated local centres that would not be able to form a BID, there would be no reason why they could not match up to an existing BID. This would strengthen the role of the local centre ones compared to the City Centre BIDs.
49. There were over 34,000 people employed by Small and Medium-term Employers (SMEs) in Birmingham. If this was placed in terms of employment and economic output, regarding the investment drawn in, with the money that goes in far more than a return by the pound - £5 investment for every £1. This could only grow if the money was there.
50. Councillor Ali advised that he was informed by Ms Freedman of the partnership that was formed by the six local centres. He stated that this was encouraging and was a good thing. Regarding the representation on the Local Enterprise Partnership (LEP), was this individual BIDs, was it a partnership of six LEPs.
51. Not everyone had signed up to the Chamber, but this did not mean that the Chamber was representative of all the businesses in Birmingham. If you look at how many businesses had signed up to the Chamber on the BIDs, this was not many. He undertook to write to the Chair to advise that collectively, six BIDs had come together and request that a space be allocated to them. The more representation there was at that level engagement would happen. It was about promoting the BIDs and Birmingham.

52. Sutton Coldfield had set up a Chamber of Commerce within the Greater Birmingham Chamber. This was something that could be expanded into other areas such as Northfield at the other end of the City. It was about getting a seat at the table and ensuring that the individual voices were also heard rather than through a collective which was often a strategic one. At a local aspect this was often missed and it was this local aspect that usually got lost in transit even with the best will and intentions.

At this juncture the Chairman invited Ojay McDonald, Association of Town Centre Managers to give his reflection on what had been stated. Mr McDonald made the following comments: -

- ATCM were a membership led organisation that supports anyone that works in Town Centre Management. They were proud to include most of the BIDs that was represented at the meeting and Birmingham City Council. It was in ATCM's interest to see good partnership working across the BIDs and the Councils support in both the City Centre and locally.
- Internally, ATCM took the decision not to get involved at the local level as they cover the whole of the UK and the Republic of Ireland. It was a sign of how important Birmingham was to ATCM, that he was present at the meeting.
- Historically, ATCM was involved in the development of the original BID legislations with the UK Government and a lot of that work took place in the Midlands.
- For ATCM, Birmingham was the Second City and was UK Central and in an aspirational sense, if they wanted to ensure that Birmingham was seen as the economic powerhouse and a City that had a great reputation worldwide, then it was essential for partnership working between BIDs in the local centres, City Centre and the Council was effective and ensures that Birmingham was set up to meet any future challenges that came along.
- It was in the interest of ATCM to support any long-term economic and social development strategy that includes the BIDs. ATCM was more than happy to help and the Chairman was correct when they look at what was at stake, there would be other areas that were watching what was happening in Birmingham.
- How Birmingham comes out from this debate and tackles the problems they have at the moment in terms of the cuts and how this might relate to economic development locally simply because of its size and its position and the fact that in the past it had been a leader in some of the partnership working.
- Birmingham had a reputation that had to be maintained. This reputation was looked at by other towns and cities the UK. Birmingham itself as a

city was central to the UK economy and it was vital to ensure that this works.

- Thinking about some of the things that came ahead for Birmingham such as HS2 and how they ensured that the City was prepared to make things better both in terms of its social and economic development, it could not be seen how in the modern world this could not be done unless our City Centres and local centres were all well managed, and that partnership work happened between them.
- It was fundamental on the part of the City Council to make this happen so that the whole of the City could feel the benefits of this like Grand Central and HS2 station.
- In the long-term, if they got this right, there would be great value for the Council especially in terms of the use of resources. It was seen across the country that where they had good BIDs – there were some good BIDs in Birmingham – in the long-term they would bring the cost down for everyone in terms of what they could do and how effectively they could do it.

Councillor Ali then made the following statements: -

- a. Two years ago, ATCM held a conference in the Town Hall which brought together all the BIDs around the country. Not only did this promote Birmingham, but it also got them to meet others. He enquired whether ATCM would consider coming back to the Town Hall to hold another conference of the ATCM seeing that a lot of the BIDs had now been developed some of which was in their first year when the conference took place.
- b. HS2 was about the economic benefits it would bring to Birmingham . Birmingham's Action Plan was the first document that looked to address the connectivity issues not only in Birmingham, but the wider region. Wolverhampton was looking at ... and Coventry was looking at ... and then if you look at the Midlands Connect document and the different modes of transport and the Sprint, bus routes, trains stations, all the connectivity agenda had to link the local centres.
- c. All the visitors that were coming into Birmingham would visit the likes of Soho Road and Ladypool Road. They could only do so by the transport offer. This was discussed in details last week and they had not lost focus on this because without the connectivity, HS2 would be nothing. Connectivity was not about just being in the centres in Birmingham, but about the neighbouring authorities also.
- d. The Metro from Wolverhampton to Snow Hill was a missed opportunity. It should have gone down the Soho Road in terms of connecting the communities. It was about connecting the City Centre with Birmingham Airport through the Metro Link along Bordesley Green and East Birmingham Corridor. This was about bringing in the local centres into

play and ensuring that they benefitted from the regeneration that was happening and not isolating them.

- e. Having the Sprint down the A45 would be a missed opportunity just as he had believed they would have had different economic outputs if they had had the original Metro from Wolverhampton coming into Snow Hill via Soho Road. This would have been a game changer for that part of the City.
- f. Now that funding had been announced for the Metro Link from HS2 to the Airport that this goes through East Birmingham to demonstrate the commitment, it was about the money and having a priority list in terms of how would this connectivity through the West Midlands Combined Authority benefit other authorities.

The Deputy Leader commented that: -

- I. He was always willing to listen and explain why they were not doing what the BIDs wanted. He reiterated that they would listen, but that listening did not mean they would do everything that people wanted them to do. If they were not going to agree, then they would give a logical explanation as to why not.
- II. With regard to the issues being raised earlier, this meeting had covered a wide range of things from HS2 to the BID Levy. As far as he was concerned, he was here to comment on the BID Levy and the proposal that would be submitted to Cabinet in March 2016. He reiterated that the report would be circulated and would take comments until the end of the first week in March and then Cabinet would make its decision in March 2016. They would then implement the decision.
- III. As far as the City Centre BIDs were concerned, they had set up their City Centre Partnership and that it was hoped that this would continue to work in a positive way as it had been thus far. He would be discussing with the non-City Centre BIDs and explore the idea of a local centre partnership group to see whether this would work.

The Chairman thanked Councillor Ian Ward, Deputy Leader and Councillor Tahir Ali, Cabinet Member for Development, Transport and the Economy and everyone for attending the meeting.

**WORK PROGRAMME FOR THE ECONOMY, SKILLS AND SUSTAINABILITY
OVERVIEW AND SCRUTINY COMMITTEE 2015/2016**

The following work programme was submitted:-

(See document No 2)

RESOLVED:-

That the work programme be noted.

**REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS
RECEIVED (IF ANY)**

- 70 The Chairman advised that there had been no requests for call in/councillor call for action/petitions received.
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AUTHORITY TO CHAIRMAN AND OFFICERS

- 71 **RESOLVED:-**

That in an urgent situation between meetings the Chair, jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

The meeting ended at 1205 hours.

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CHAIRMAN