

BID BUSINESS PLAN AND BALLOT

Head of Service:	Victoria Potts, Head of Place Development
Wards affected:	Town, College, and Woodcote
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: BID Business Plan

Summary

The Epsom Business Improvement District (BID) was established in 2017 and has had its initial 5-year term. For the BID to continue its mandate must be renewed and it is envisaged that the formal ballot required will take place this autumn.

The BID Steering Group have produced a Business Plan that defines the proposed scope and purpose of the BID. This document will inform the choice that businesses will have to make when determining whether or not they support the BID.

As a business within the BID boundary, the Borough Council will need to determine whether or not to support the BID as it will be eligible to vote in the ballot. This report recommends that the Council votes “Yes” in the ballot.

The Borough Council also has another specific role as the Billing Authority and as-such it can veto BID proposals. This report recommends that the Council does not exercise this veto.

Recommendation (s)

The Committee is asked to:

- (1) Consider the BID Business Plan as defining the scope on purpose of the BID**
- (2) Agree to support the proposed bid and authorise the Chief Executive to vote “yes” in the forthcoming ballot on behalf of the Council.**
- (3) Determine (commensurate with (2) above), in its capacity as Billing Authority, not to use its right of veto under Section 51(2) of the Local Government Act 2003**

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1 Reason for Recommendation

- 1.1 The Epsom Business Improvement District (BID) was established in 2017 and has had its initial 5-year term. For the bid to continue, its mandate must be renewed and it is envisaged that the formal ballot required will take place this autumn.

2 Background

- 2.1 Business Improvement Districts (BIDs) are business-led, business-funded bodies that deliver on a business plan agreed through a formal ballot of all businesses in a defined area.
- 2.2 The funding for such activities comes from a levy on business rates – of usually between 1% and 2% (with the national average being 1.4%).
- 2.3 The levy amount and the activities preferred are set out in a Business Plan (that acts as a manifesto at a formal ballot of all businesses within a boundary). The BID boundary is also set out in the business plan.
- 2.4 Importantly, any funding raised must be for new services or activities – it cannot be used to replace funding currently provided through public service operators (county or borough council or the police).
- 2.5 Epsom Business Improvement District, better known as Go Epsom has had an initial term of 5 years. After 5 years its mandate must be renewed if it is to continue.
- 2.6 The process for the creation and renewed mandate of a BID is tightly defined within legislation.
- 2.7 For the past 5 years, the BID has been working on initiatives to strengthen the town's appeal and create reasons for more people to visit Epsom town. These include:
 - 2.7.1 Promoting Epsom
 - 2.7.2 Holding events and installing artwork
 - 2.7.3 Undertaking environmental improvements
 - 2.7.4 Working with partners to improve safety and security

3 Proposals

- 3.1 The BID Steering Group has prepared a Business Plan for the proposed BID including the defined boundary (Appendix 1).

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- 3.2 The proposed levy rate proposed is 1.5% of rateable value (1.25% for Ashley Centre tenants because the Centre manager provides some of the services the BID do for other businesses), and the anticipated annual revenue would therefore be more than £300,000. Retail charities and businesses with charitable status will be eligible to pay the BID levy. BID levy contributions will be capped at £8,000 for the largest businesses and also those with multiple business premises. The BID levy will apply to all business classifications within the BID boundary with the exception of industrial and workshop premises
- 3.3 There would be a cap on contributions from any single business of £8,000 per annum and all businesses with a rateable value of less than £10,000 would be exempted from the BID levy. There are no exemptions e.g., for charities or empty properties.
- 3.4 The proposed Business Plan at Appendix 1 sets out the scope of the proposed BID activities. These would, of necessity be additional to anything that is currently being done by the Borough Council and there should be no conflict with the Council's policies.
- 3.5 The specific areas that the BID would cover are:
 - 3.5.1 Safety and security
 - 3.5.2 Marketing and promotion
 - 3.5.3 Events, arts, and culture; and
 - 3.5.4 Environmental improvements
- 3.6 The Council needs to formally decide whether it will support the BID in the ballot. In actuality it already supports the BID as demonstrated over the past 5 years. The decision at this stage is whether to agree to the continued mandate of the BID on the basis of the proposed Business Plan.
- 3.7 There is nothing in the Plan that would conflict with the Borough Council's objectives and there is no direct conflict with any of its policies. All of the proposed themes and actions would complement what the Council is trying to achieve. The Council would seek to continue to work with the BID to align activities to ensure that programmes meet both Council and BID objectives.
- 3.8 There is a provision in the BID regulations for the "Billing Authority" – the Council to veto Bid proposals if they are likely to either: materially conflict with any of the Council's formally adopted policies or lead to a significantly disproportionate charge on any person involved. The second of these is to prevent the BID boundary being manipulated to unfairly impact on a single business or simply to avoid any other inequitable financial impact from the levy.

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- 3.9 While the proposed BID area broadly covers the area of Epsom Town Centre established for its first term in 2017, the boundary has been amended to remove a section to the north on Waterloo Road and it has been expanded to the west to include an area below West Street.
- 3.10 There is a balance to be struck between the financial impact that the BID levy may have on businesses/persons located within the BID boundary and the benefit that the BID can make to the economic vitality of the area. The Business Plan in Appendix 1 sets out some of the projects that the BID has delivered in the Town Centre during its first term which have undoubtedly encouraged visitors to the area, supporting trading and bringing economic benefits to the Town Centre. In line with the Business Plan set out in Appendix 1, it is not considered that there will be a significantly disproportionate financial burden on any person caused by the manipulation of the geographical area of the BID or by the structure of the BID levy. However, this will be a factor for businesses to independently through the ballot.
- 3.11 There are no material conflicts between the proposed business plan and Council policies. The Council should not therefore need to use this veto.
- 3.12 It is proposed that the ballot be held from 7 October to 3 November 2022.

4 Risk Assessment

- 4.1 There are limited risks entailed in the proposed recommendations.
- 4.2 The success of the BID itself is by-no-means certain. This will depend greatly on the BID Board, their ability to deliver on the plan and the BID Manager.
- 4.3 The Borough Council will want to continue to maintain close links with the BID to support it in its objectives. To this end clear channels of communication and a mutual understanding will need continue to avoid misunderstandings and to enhance the prospects of success.

Legal or other duties

- 4.4 Equality Impact Assessment
- 4.4.1 There are no equality impacts associated with the contents of this report.
- 4.5 Crime & Disorder
- 4.5.1 There are no specific Crime and Disorder considerations associated with this report.
- 4.6 Safeguarding

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4.6.1 There are no specific safeguarding considerations associated with this report.

4.7 Dependencies

4.7.1 The proposal set out above, if supported, will allow Members to pursue their stated ambition of establishing an approach to service delivery as agreed at S&R Committee on 16 March 2021.

4.8 Other

4.8.1 None identified.

5 Financial Implications

5.1 The principal cost to the Council will be its levy contribution capped at £8,000 per annum. This sum is affordable and provided within existing 2022/23 budgets. The relevant costs of arranging for the necessary ballot and other support that the Council provides on an on-going basis are also all within existing budgets.

5.2 Costs incurred by the Council in collecting the levy under the business rate regime will be recharged to the BID. The total annual cost for collecting the levy from April 2023 will be £20,000; this sum will be recharged to the BID each year, with annual increases linked to CPI inflation.

5.3 There will also be a baseline exercise for costs to ensure that any additional Council services provided to support the BID, i.e., any additional operations costs for cleaning say, are met by the BID rather than from Council budgets.

5.4 **Section 151 Officer's comments:** Financial implications are included in the body of the report.

6 Legal Implications

6.1 The proposed arrangements for setting up a BID are all within the prescribed legislation. All necessary steps have been taken to comply with the relevant regulations.

6.2 The Council needs to decide whether it should use the veto allowed for under Section 51 of the Local Government Act 2003, read with Regulation 12 of the Business Improvement Districts (England) Regulations 2004. The circumstances in which the power of veto can be exercised are that the Council is of the opinion that the BID arrangements are likely:

6.2.1 to conflict to a material extent with any policy formally adopted by and contained in a document published by the authority; or

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- 6.2.2 to be a significantly disproportionate financial burden on any person or class of persons caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and that burden is inequitable.
- 6.3 As it is recommended that the Council itself vote “yes” and having regard to the information in section 3 of this report it is not considered that there will be any need to consider vetoing the proposals.
- 6.4 **Legal Officer’s comments:** Section 49-53 Local Government Act 2003 (LGA 2003) and Business Improvement District (England) Regulations 2004 set out the procedure for a BID.
- 6.5 If the Council decides to exercise its power of veto, it must give notice of the exercise of the veto to the persons entitled to vote in the ballot (section 51(3) LGA 2003). The notice must set out the reasons for the exercise of the veto and must give details of the right of appeal under section 52 (section 51(5) LGA 2003). The notice must be sent to the Secretary of State (section 51(6) LGA 2003).
- 6.6 For the purposes of section 51(2) LGA 2003, the prescribed period for exercising the veto is 14 working days from the day of the ballot (Regulation 12 Business Improvement District (England) Regulations 2004).
- 6.7 For the purposes of section 51(3) LGA 2003, the prescribed matters to which the Council shall have regard in deciding whether to exercise its veto are- (a) the level of support (as evidenced by the result of the BID ballot or re-ballot of a BID ballot, as the case may be) for the BID proposals; (b) the nature and extent of the conflict referred to in paragraph (1) (a); (c.) in relation to paragraph (1)(b) , the structure of the proposed BID levy and how the financial burden of the BID is to be distributed amongst ratepayers in the geographical area of the BID; (d) the extent to which the BID proposer discussed the BID proposals with the authority before submitting the BID proposals to the authority under regulation 4; and (e.) the cost incurred by any person up to the end of the period prescribed in paragraph (2) in developing the BID proposals and canvassing in relation to the BID proposals.

7 Policies, Plans & Partnerships

- 7.1 **Council’s Key Priorities:** The Council’s Four Year Plan sets six overall themes, reflecting the priorities until 2040. The key theme relevant to the BID proposal is “A successful place with a strong, dynamic local economy where people can thrive” which includes a priority of “work with partners to secure an attractive and vibrant high street and marketplace experience. The BID has also worked and is continuing to work to improve the security of the Town Centre meeting the Council’s Four Year Safe and Well theme in the Council’s Four-Year Plan.

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- 7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** The proposed BID is intended to support environmental improvements. Any implications from this decision should therefore be positive.
- 7.4 **Sustainability Policy & Community Safety Implications:** The proposed BID is intended to support a safer Epsom. Any implications from this decision should therefore be positive.
- 7.5 **Partnerships:** The BID is a reflection of the Borough Council's commitment to strengthening the local economy in partnership with the business community.

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Strategy and Resources Committee 26 September 2017 – BID Business Plan and Ballot.