

Committee(s): Policy, Resources and Economic Development Committee	Date: 14 September 2022
Subject: Business Improvement District for Brentwood, Shenfield and Ingatestone	Wards Affected: All
Report of: Phil Drane, Director of Place	Public
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Summary

Business Improvement Districts (BIDs) are business led partnerships which are created through a ballot process to deliver additional services to local businesses. They can be a powerful tool for directly involving local businesses in local activities and allow the business community and local authorities to work together to improve the local trading environment.

Following the High Streets Conferences held on 11 January and 21 March 2022, the council commissioned a BID feasibility report. The report has provided a series of recommendations for potential formation of a BID for Brentwood, Shenfield and Ingatestone, subject to the outcome of a ballot in summer 2023.

Main Report

Introduction and Background

1. Business Improvement Districts (BIDs) are business-led partnerships which are created through a ballot process to deliver additional services to local businesses. They can be a powerful tool for directly involving local businesses in local activities and allow the business community and local authorities to work together to improve the local trading environment.
2. Nearby BIDs include Chelmsford, Southend, Colchester and Romford.
3. A BID is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop projects which will benefit businesses in the local area.
4. There is no limit on what projects or services can be provided through a BID. The only requirement is that it should be something that is in addition to services provided by local authorities. Improvements may include, but are not

limited to, extra safety/security, cleansing, events, marketing, training and environmental measures.

5. A BID can be set up by the local authority, a business rate payer or a person or company whose purpose is to develop the BID area, or that has an interest in the land in the area.
6. The BID proposer is required to develop a proposal and submit this to the local authority, along with a business plan. The proposal should set out the services to be provided and the size and scope of the BID. It will also set out who is liable for the levy, the amount of levy to be collected and how it is calculated.
7. Businesses that are subject to the levy, as set out in the proposals, vote in a ballot. This determines whether the scheme goes ahead. A successful vote is one that has a simple majority both in votes cast and in rateable value of votes cast. Each business entitled to vote in a BID ballot is allowed one vote in respect of each property occupied or (if unoccupied) owned by them in the geographical area of the BID. Once the BID is in operation the levy is charged on all businesses within the BID area (regardless of whether or how that business voted in the ballot).
8. The BID proposal must set out who is liable for the levy, the amount of levy to be collected and how it is calculated. Usually BIDs charge a levy rate of between 1% and 4% of rateable value.
9. The maximum period that a BID levy can be charged is for 5 years. Once the term is completed the BID will automatically cease. If the BID wants to continue its activities it must hold a new ballot.
10. A BID is managed by a BID body. The BID body is responsible for developing and implementing the proposal which sets out how the BID will operate. The local authority will manage billing and the collection of the levy and will hold the levy in a ring-fenced revenue account on behalf of the BID body.

Issue, Options and Analysis of Options

11. Following the High Streets Conferences held on 11 January and 21 March 2022, the Council commissioned a BID feasibility report from Locus Management Services to make recommendations about the potential formation of a BID in the borough.
12. The consultants undertook desk research and conducted face-to-face interviews with local businesses from May to July 2022.

13. A final report was published in August 2022, with the following recommendations:
 - a) Explore creating one BID that incorporates the Brentwood, Shenfield and Ingatestone high streets, which could generate a minimum levy income of £400,000 per year (subject to final modelling)
 - b) The Brentwood Business Partnership (BBP) could be the BID Proposer and the Council could be the BID Body
 - c) An agreement could be reached with BBP so that it modifies its governance and set up to operate as a BID 'Advisory/Management group' in developing the projects and services and recommending to the local authority as to the most appropriate use of levy monies
 - d) BID set up costs should be shared between the Council and BBP, with an option to have these fees repaid from future BID levies
 - e) Aim for a BID ballot in June 2023 and the likely earliest start date for BID formation of 1 October 2023.
14. If each high street were developed as a standalone BID, likely set up costs would be circa £25,000 to £45,000 per site, including a business plan for each (circa £7,500). Subject to the recommendation that a single proposal covering all three high streets being adopted and assuming this becomes the outcome, there would be economies of scale.
15. The report recommends breaking further work into three stages:
 - a) Stage 1 (September 2022 to February 2023) involves increased engagement with businesses, help to define the exact deliverables of any BID, provide working levy rules including thresholds and levy rates and estimate likely turnout and support for any BID proposal. Consultancy fees for Stage 1 are £20,000 plus VAT. If Stage 1 shows clear business support for a BID, then work progresses to Stage 2.
 - b) Stage 2 (March to July 2023) involves development of the BID proposal, the business plan, production of the statutory notices and canvassing to encourage participation in the ballot. Consultancy fees for Stage 2 are £15,000 plus VAT. The report recommends the Brentwood Business Partnership fund and lead on Stage 2 work.
 - c) Stage 3 (August to October 2023) involves formal creation of the BID. Consultancy fees for Stage 3 are £10,000 plus VAT. Stage 3 payment only

becomes due once there is a successful ballot outcome and as the BID commences.

16. The BID Regulations permit all set-up costs (in this case, Stages 1, 2 and 3 = £45,000) to be repaid from future levies if they are provided within the budget elements of the BID Proposal.
17. The Council has commissioned the consultants to begin work on Stage 1.

References to Corporate Strategy

18. The council's Corporate Strategy identifies priority areas, which include protecting our environment, growing our economy, improving housing, and developing our communities. The project affects strategic priorities through its proposals. The council's Economic Development Strategy defines economic objectives that are consistent with the potential formation of a business improvement district.

Implications

Financial Implications

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19. The key financial implications are included within the report. The Council has commissioned consultants to begin work on Stage 1 for £20,000 plus VAT. This will be funded from existing resources within the Economic Development budget.

Legal Implications

Name & Title: Steve Summers, Strategic Director and Monitoring Officer
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20. Business Improvement Districts (England) Regulations 2004 (The Regulations) provide the statutory powers and framework to enable a Business Improvement District (BID) to be created.

Economic Implications

Name/Title: Phil Drane, Director of Place (Planning and Economy)
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21. The economic implications are included within this report.

Equality and Diversity Implications

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22. The Public Sector Equality Duty applies to the council when it makes decisions. The duty requires us to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
23. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for b. or c., although it is relevant for a.
24. The proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

None

Background Papers

None

Appendices to this report

- Appendix A: Brentwood, Shenfield and Ingatestone Business Improvement District (BID) Feasibility Report, August 2022