

**Executive Member for Economy and
Strategic Planning Decision Session**

18 November 2019

Report of the Head of Economic Growth

Renewal ballot for the York Business Improvement District (BID)

Summary

1. This paper seeks support and approval from the Executive Member for the renewal ballot for the York Business Improvement District (BID). If agreed, this will take place in November 2020 and will allow eligible businesses to vote on whether they wish to support a second five year term for the BID, beginning in April 2021.
2. The Business Improvement District will collect a sum estimated to be in excess of £4,000,000 over the course of the five years, or £800,000 per annum. This is raised by means of a levy payment made by businesses within the BID geography (see Annex A). This funding is subsequently reinvested back into the City Centre on a variety of projects and programmes.
3. Decisions on allocation of this investment are taken by the established business-led BID Board and focus on areas such as improving the cleanliness of the City Centre, tackling anti-social behaviour and providing business and procurement support for City Centre businesses.
4. The Executive Member Economy and Strategic Planning, nominated by the Executive, currently represents the interests of City of York Council on the Business Improvement District Board, along with the Deputy Leader of the Council.
5. There are issues surrounding the ongoing cost to the Council of the BID levy collection. Further details are contained at the 'Levy collection' section of this report.

Recommendations

6. That the Executive Member:

- Expresses support for the York BID and its work
- Notes the stages and timescales required to implement the decision as outlined in these recommendations.
- Agrees that a further report may be taken to Executive in Spring 2020 detailing the BID Prospectus, Service Level Agreements and role of Make It York
- Notes discussions on arrangements to operate the ballot and for the Council to act as the collection agent for the levy
- Support exploration of additional recompense from the BID for work carried out by the Council

Reason: To allow the work of the BID and its partners to boost the City Centre economy, ease difficult trading conditions for retailers and to provide every opportunity to help York thrive.

Background

7. A BID is a business-led partnership that enables coordinated investment in the management and marketing of a commercial area, and is a defined geographical area (see Annex A). Governed by legislation to ensure fairness and transparency, a BID is created for a five year period and follows a successful ballot of local businesses.
8. During the term of the BID, all businesses defined within the BID Business Plan geography will be required to pay the mandatory levy, irrespective of whether they cast a vote in the ballot or not.
9. The York BID was voted for by eligible City Centre levy payers in November 2015, and began operation in April 2016. This has proved popular with the majority of levy payers. This term runs until March 2020, and a new vote is required to allow the BID to continue operating beyond then.

BID operation

10. During their three and a half years of operation, the York BID has delivered a series of high impact, highly visible events, programmes and initiatives that have helped to support traders during a prolonged and especially difficult period for local high streets across the country.

11. The four programme areas of focus in the BID's current Business Plan are:

- Safe and Secure
- Events and Festivals
- Business Support
- Appearance and Environment

12. Under these headings, high level, tangible outcomes of the work of the BID have been evidenced and include:

- Further enhancement of the City Centre through a business-led levy collection totalling around £4m over the five year period. This is in addition to the £5.72m spent by the Council in the last three years
- Concentrated effort, agreed by local businesses, focussing on the four key themes to boost the City economy, increase footfall, and raise the profile of the City
- A visible presence on the streets of York through initiatives such as the award winning Street Rangers, as well as Taxi Marshals
- A key additional strategic partner on major City Centre issues, including counter terrorism measures, and a major ally in protecting the health of the high street
- Additional capacity to undertake major projects, including the new City Centre Wayfinding scheme, allowing York to compete with other major cities across the U.K. The Council has committed around £710,000 to BID projects to date
- A sponsor and incubator for small organisations and independent events, such as York Fashion Week and the Micklegate Run

Achievements to date

13. Although the BID functions with a small team of four people, working with key City partners they have achieved much.

14. The Council is working at capacity to provide frontline services across the whole City. Many of the services provided by the BID are focussed in a specific City Centre geography and create a significant complementary boost to the Council's regular programme of activity.

15. The Annual Review for 2018 – 2019, shared at the BID Annual General Meeting (AGM) in June 2019, includes many areas of note and can be found online by cutting and pasting this link:

<https://www.theyorkbid.com/downloads>

16. Key outcomes to date include:

- An increase in City Centre footfall of 1.9% against the national picture of a 2.5% decrease
- The BID funded Street Rangers have engaged with businesses over 15,300 times, recovered £24,000 of stolen stock, provided first aid on 206 occasions and deterred 1,544 cases of anti-social behaviour
- Cycle rack provision in the City is up by 10% after the BID increased capacity by providing 88 further spaces
- Christmas lights switch on and Winter lights – the BID have dressed the City and Bar Wall entrances in over 16 kilometres of lights, and such is the success of the switch on that plans are underway to move the event to a larger area to accommodate the growing crowds expected to attend in 2019
- In 2018/19, the BID deep cleaned over 41,500 m² of the City Centre and responded to 173 call outs from businesses. The team is also pivotal in removing used syringes and large quantities of biowaste from the streets and surrounding areas.

Revised Business Plan

17. The BID team will be producing a refreshed Business Plan for consultation ahead of the renewal ballot, building upon the achievements of the last five years and concentrating on the priorities of levy payers.

18. A draft Renewal Proposal has already been considered by the BID Board, with a view to developing an equally strong set of deliverable initiatives and projects for the City 2021 - 2026, should a second BID ballot be won.

Baseline Agreements

19. The programme of services included in the BID prospectus is in addition to the significant work already undertaken by the local authority, complementing work already ongoing.

20. The Baseline Agreements are developed with City of York Council Heads of Service, and include the minimum services provided by the authority, as well as details of employees and equipment required. These services are a combination of statutory and discretionary, and reflect the current situation in 2019/20.

21. Many Council activities that typically fall within the Baseline Agreement, such as City Centre Management, Culture and Economic Development now fall under the remit of Make it York. As an authority, we are looking at the commitment we are able to make in a number of areas, including:

- Street Cleaning
- Streetlighting
- Highways Maintenance
- Parking Services

The Renewal Ballot

22. The ballot is the single most important stage in renewing the BID. For the BID to be voted in for a second term, two conditions must be met:

- a) The majority of those voting must vote 'yes', and;
- b) Those 'yes' votes have to represent more than 50% of the total rateable value of all votes cast

23. The BID Board has agreed to engage the Electoral Reform Service to run the renewal ballot, and will cover all associated costs accordingly. This is noted in the minutes of the November 2019 Board meeting.

Levy collection

24. In the BID legislation, the local authority is required to act as the accountable body to collect the BID levy, and the Council has successfully collected up to 98% of the total amount of the levy for the last three years on behalf of the BID.

25. Subject to a successful renewal ballot, the Council will remain as the billing authority, and will continue to collect and transfer funds to the BID Company and carry out the administration function.

26. Local authorities are bound by legislation on the amount that they can charge a BID organisation for their costs in relation to administration and collection of the levy. Guidelines state that costs 'should not exceed £35 per hereditament or 3% of the billed levy, whichever is the lower', and that 'the method resulting in the lowest cost of collection for the BID should be agreed'. As the 3% for the collection of the levy is the lower of the two figures, this is the amount claimed back by the Council.

27. Beyond the immediate outlay for collecting the levy, City of York Council undertakes further work for the BID which costs more than the

guidelines allow for. Unaccounted for tasks include ad hoc reports run by the collection teams, and the presence of the Income Manager at Magistrate hearings at recovery action stage, These elements are at a cost to the Council, both in monetary terms and by means of an impact in diverting resources away from programmed work.

28. Should the BID continue into a second term, the Executive Member is asked to support exploration of additional recompense for the additional work carried out by the Council. This is possible by means of a provision set out in the Operating Agreement between the Council and the BID, signed when the BID came into force in 2016.

Consultation

29. The BID team have sought advice and guidance from BID Industry bodies, including The BID Foundation and the Association of Town Centre Managers.
30. The BID Team is responsible for building and maintaining robust working relationships with all potential BID members and is required to engage businesses in every aspect of the process.
31. City Centre businesses and local partners will play a central role in the development of the refreshed BID Business Plan, and will also be made aware of the ballot plans through a concerted renewal campaign.
32. The Baseline Agreements have been written with the input of relevant managers.

Options

33. Given the detail above, the options for the Executive Member are:
 - a) Agree to support the development of the BID's prospectus
 - b) Confirm the Council's willingness to produce draft Service Level Agreements for consideration by the Executive
 - c) Agree that the cost pressures outlined in the 'Levy Collection' section of this report, and the outcome of any discussions with the BID, will be included in the Executive report

Reason: To allow the timely production of a BID prospectus, in collaboration with the Council, so that the Executive can consider its position with regard to the final BID prospectus ahead of the November 2020 renewal ballot.

Council Plan

34. The applicable Council Plan 2015-2019 priorities are:

- A prosperous City for all and;
- A focus on frontline services

35. The ethos of the BID and its work supports the programme summary of the administration's progressive partnership, as well as planned work such as the City Centre Strategy, inclusive growth projects, delivery of the refreshed Economic Strategy and strengthening the Council's commitment to supporting high streets and our communities.

Implications

Financial

36. There are ongoing cost issues with the amount of support the Council gives to the BID in the administration, collection and enforcement of the BID levy that should be further explored, as outlined in paragraph 34 onwards.

37. West Offices sits within the BID levy geography, and so the Council is a key contributor to the BID.

Human Resources (HR)

38. Not applicable.

Equalities

39. All equality implications will be managed through the BID process and representative governance will be sought.

Legal

40. Our legal protections are set out within a Memorandum of Understanding (MOU) drawn up by agreement between the Council's Legal Team and the BID. This MOU is necessary to cover the relationship between the Council and the BID Company.

41. The baseline agreements and Operating Agreement appear in these schedules.

Crime and Disorder

42. The BID is a key strategic partner working to implement counter-terrorism and anti-social behaviour measures in the City Centre
43. One the BID Programme strands covers 'Safe and Secure'. Initiatives to date include the introduction of the Street Rangers, part-funding York BID Taxi Marshals in Duncombe Place, increasing the number of secure cycle parks in the City Centre by 10% and setting up the Anti-Social Loitering Scheme to deter ASB that occurs in the doorways of business premises.
44. Additionally, key themes for the BID from the perspective of retailers is to tackle the culture of afternoon drinking, the large number of stag and hen parties, and the sensitive matter of street kitchens in the City Centre. Multi-agency discussions are continuing in order to find a workable solution to these issues.

Information Technology (IT)

45. Not applicable at present.

Property

46. The BID have worked closely with landlords of empty retail units in the City Centre to preserve the appearance of the high street. They embarked upon a 'wrapping' or 'shop jacket' project in order to maintain the quality of the high street aesthetic.

Risk Management

47. Failure of the Council to support the BID renewal will mean that the BID will not proceed into a second term as the local authority is the accountable body and billing authority for the organisation.

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**Report
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Wards Affected: List wards or tick box to indicate all
Guildhall, Micklegate, Fishergate

All

For further information please contact the author of the report

Background Papers:

None at this time

Annexes

Annex A – The BID Geography

List of Abbreviations Used in this Report

BID- Business Improvement District

AMG- Annual General Meeting

MOU- Memorandum of Understanding