

Consultation on Business Improvement Districts

Summary

To respond to a Consultation from DCLG on Business Improvement Districts (BIDS)

Portfolio - Finance

Date signed off: 28 May 2015

Wards Affected All

Recommendation

The Executive is asked to APPROVE the responses as outlined in Annex A and that the Executive Head of Finance be asked to respond on behalf of the Council.

1. Resource Implications and Executive Summary

- 1.1 The Department for Communities and Local Government (DCLG) launched a 12 week consultation on changes to Business Improvement Districts (BID) based on a review carried out in 2014. The closing date for responses is the 19th June 2015.
- 1.2 Camberley has a BID called “Collectively Camberley” which was formed in 2012 and is due for renewal in 2016. The BID company levies an additional rate on business rate payers to pay for additional services, promotion, events etc. for the benefit of business in the BID area.
- 1.3 There are no resource implications arising from this report.

2. Key Issues

- 2.1 Business Improvement Districts are a key driver in raising additional resource for an area to aid regeneration and support local businesses. The Government will take account of responses received when deciding on new legislation.
- 2.2 All responses must be submitted electronically to the DCLG.

3. Options

- 3.1 The Executive can agree, amend or reject any of the responses as set out in this report.

4. Proposals

4.1 It is proposed that the responses as set out in Annex A be approved and that the Executive Head of Finance be delegated to respond on behalf of the Council.

5. Supporting Information

5.1 Annex A includes the proposed responses and Annexe B the full consultation document.

6. Officer Comments

6.1 None in addition to the matters raised above.

Annexes	Annex A - BID consultation response
Background papers	BID consultation document
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Head of service	Kelvin Menon – Executive Head of Finance

Consultations, Implications and Issues Addressed

	Required	Consulted	Date
Resources			
Revenue	N/A		
Capital	N/A		
Human Resources	N/A		
Asset Management	N/A		
IT	N/A		
Other Issues			
Portfolio Holder	Yes		
Corporate Objectives & Key Priorities	N/A		
Policy Framework	N/A		
Legal	Yes		
Governance	N/A		
Sustainability	N/A		
Risk Management	N/A		
Equalities Impact Assessment	N/A		
Community Safety	N/A		
Human Rights	N/A		
Consultation	N/A		
P R & Marketing	N/A		

Review Date:

Version: 1

ANNEX A

Consultation Responses

Question 1: Do you agree that Business Improvement District bodies should be legally required to provide a certain level of transparency?

Yes

Question 2: If you answered “yes” to question 1, do you agree that this should be achieved by mandating the publication of independently audited annual accounts and report?

Yes

Question 3: If you answered “no” to question 1, please tell us why.

N/A

Question 4: Do you have alternative suggestions for increasing the transparency of Business Improvement District bodies?

BIDS with an income of over £500k a year should be required to comply with Local Government transparency arrangements. I.e. publishing payments over £500 etc.

Question 5: Do you think there should be a legally required set of procedural issues that Business Improvement District bodies and local authorities agree to and publish from the outset to ensure that both parties are clear on their working relationship towards one another?

Yes

Question 6: If you answered “yes” to question 5, how often do you think the agreement should be updated and what issues do these types of agreement need to cover?

The agreement should be reviewed at least annually and set out how both parties agree to assist in achieving their objectives. The agreements should at the very least set out the timing of meetings, who would attend, processes for engagement and consultation with the public and BID members.

Question 7: What other ways can the working relationship between Business Improvement District bodies and local authorities be strengthened?

Local authority representation on a BID board should reflect its level of contribution to the BID. Potential BIDs should be mandated to consult with local authorities when drawing up their prospectus for election.

Question 8: Do you agree that Business Improvement District bodies should have the option to decide who collects the levy on their behalf?

Yes on the assumption that if the BID decides to contract out the collection and enforcement of the levy there will be no requirement for the local authority to provide support or information. I.e. The valuation office for example will liaise directly with the BID in respect of revaluations etc. Ratepayers will be obliged to inform both the local authority and the BID when there is a change of ownership in a property.

Question 9: Do you agree that Business Improvement District bodies should be eligible to apply to the local planning authority to be designated as a neighbourhood forum, without meeting the current membership requirements?

No. BID areas are generally too small for a neighbourhood plan in that they include core retail and business premises within a town and do not take account of the impact on surrounding residential areas that are not part of the BID area.

Question 10: Do you agree with the proposed conditions for any Business Improvement District body that wishes to apply for designation as a neighbourhood forum?

No. In respect of a referendum the interests of business property owners may differ from those of tenants. An owner will want to maximise the value of their investment, possible through redevelopment, whereas a tenant will want to increase their business. It is difficult to see how these issues can be resolved.

Question 11: What are your views on a Business Improvement District body automatically being a qualifying body for the purposes of neighbourhood planning?

No they should not automatically qualify as they are generally too small an area.

Question 12: Do you have any further views on the proposal that Business Improvement District bodies can take forward neighbourhood planning in designated business neighbourhood planning areas?

Consideration should be given to allowing BIDS to be statutory consultees on planning applications that affect the BID area

Question 13: Do you agree that the Regulations should be changed to require clear consultation in the development stage of a Business Improvement District before submission to the billing authority?

Yes in principle although this will increase the cost of attempting to set up a BID which may put some proposers off.

Question 14: Do you agree that the process for notifying and balloting should be strengthened to include information on the consequences of voting, or not, in the ballot, and on the likely level of individual businesses' levy payment?

No. It is a principle in all elections that a majority of those voting is required rather than a majority of the electorate. There is already a requirement to publish the

proposed levy rate but it should be down to individual BIDS as to whether they set out the impact of the levy on individual businesses.

Question 15: Do you agree that the Business Improvement District proposer should be required to provide individual notification of the outcome of the ballot to all of the businesses affected by the Business Improvement District proposals?

No as this will result in additional costs and there should be a move towards non-paper forms of communication. The BID should be required to publicise the result on their own and the Local Authority's website.

Question 16: Do you agree that ballot papers for ratepayer Business Improvement Districts should be sent outside England?

Yes

Question 17: If you answered yes to Question 16, should it be permitted to send ballot papers internationally or only within the UK? If you answered no, please tell us why.

No as this will increase costs and delay

Question 18: Do you agree that the time period should be extended for voters to apply for replacement ballot papers?

Yes

Question 19: If you answered yes to question 18, do you agree that it should be fourteen calendar days in advance? If you answered no, please tell us why.

Yes – but with a cut-off at 4 days before the election to minimise administrative problems

Question 20: Are there particular barriers that have put off businesses from considering setting up a Business Improvement District?

N/A

Question 21 – Do you support bringing forward property owner Business Improvement Districts outside London? If not, why not?

Yes the same flexibilities, including the ability to levy a Business Rate Supplement, should be extended to the whole country and not just London