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**Redditch BID Renewal**

Relevant Portfolio Holder	Councillor Matt Dormer Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ruth Bamford Head of Planning, Regeneration and Leisure Services
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Wards Affected	Central & Abbey
Ward Councillor(s) consulted	
Relevant Strategic Purpose(s)	
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

**1. RECOMMENDATIONS**

**The Executive RESOLVE:-**

- a) That a position on the vote in favour of the BID regarding the Council's hereditaments in the Town Centre be agreed.
- b) To delegate authority to the Head of Planning, Regeneration and Leisure Services, following consultation with the Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships to.
  - i) Submit a response to the BID consultation (as set out in paragraph 2.12)
  - ii) Exercise the Council's vote in favour of the proposed BID in the ballot subject to NO conflict between the proposed BID Business Plan and Council Policy/Strategies.

**2. BACKGROUND**

- 2.1 The purpose of this report is to consider the renewal of the Business Improvement District for Redditch and to decide whether to support the Business Improvement District for a further five years (1 September 2024 to 31 March 2029) in the re-vote taking place between 06th June and 04<sup>th</sup> July 2024.

- 2.2 A Business Improvement District (BID) is a legally prescribed scheme where businesses within a precisely defined geographical area fund local service improvements to enhance their trading environment. The BID can involve all businesses within the area; only those of a certain size; or only those involved in certain industry sectors.
- 2.3 In order for a BID to be established, a ballot of appropriate businesses in the defined area is held. If both: (a) The number of businesses supporting the BID is greater than that of those which vote against it; and (b) The rateable value of businesses supporting the BID is greater than that of those which vote against it. It takes the form of a private company which provides services as defined in the original ballot for a period of five years. These services are funded by a levy charged on appropriate businesses within the BID area.
- 2.4 A BID does not affect the level or quality of service provided by the local authority to the area. It is initiated, financed and led by the commercial sector, providing additional or improved services as identified and requested by local businesses. In respect of the Redditch BID, as a landowner within the BID area, Redditch Borough Council is a BID Levy payer.
- 2.5 Redditch BID was established in 2019 for a period of 5 years from 1st September 2019. The BID has approached the Council to request that a re-ballot be held in June/July 2024 to seek to continue the BID for a second term. Their decision has been based on the success of the BID's first term and a need to continue to support businesses in the BID area. This will mean eligible businesses will be required to pay a 'BID levy' if the ballot is successful.
- 2.6 On 05<sup>th</sup> February 2024 Heartflood (acting on behalf of Redditch BID) served a minimum of 84 days' notice on the Council and the Secretary of State for Levelling Up, Housing and Communities of the intention to request the Council, as the billing authority, put the BID Proposal to a ballot, as required under the BID Legislation.
- 2.7 Funding for the renewal of the BID is being financed by BID itself. The ballot is being held between 06<sup>th</sup> June and 04<sup>th</sup> July 2024, and if successful the new BID period will commence from 1 September 2024 and run to 31 March 2029.
- 2.8 All business premises within the proposed boundary that have a rateable value of £5,000 and above will be entitled to vote. As a business rates payer in the area covered by the BID, the Council will be entitled to vote in the ballot.

- 2.9 The options are:
- a) Vote YES to the renewal;
  - b) Vote NO to the renewal;
  - or c) Abstain from voting on the BID renewal.

The existence of the BID is considered to be beneficial for the town. As such, option b is not recommended. Similarly, abstaining from voting is not recommended because of the message it would send about the Council's attitude towards the BID. It could also unintentionally affect the outcome of the ballot.

- 2.10 Redditch BID *'Our vision is to enhance the commercial environment in the town, drive economic growth, and support our members. Through a range of strategic initiatives and partnerships, Redditch BID aims to create a vibrant and prosperous community that attracts visitors, encourages investment, and fosters a sense of pride'*.

- 2.11 The BID generates approximately £250,000 per year towards a range of projects aimed at boosting town centre footfall and trade. Redditch BID has delivered a number of popular events, including.

- Redditch Business Awards
- Christmas Lights Switch On
- Christmas Extravaganza Show
- The Food Festival and Coronation
- Beach on the Green
- The Classic Motor Show
- The Eastern Festival

In addition to funding new initiatives,

- Discover App
- Store Detective
- Enhanced CCTV

Please see the Annual Review at Appendix A for further information

- 2.12 The next stages for the BID ballot process will be widespread consultation during March with current levy payers through information sheets shown in Appendix B, surveys, meetings and drop-in sessions. This will give business the opportunity to contribute their thoughts, comments, and ideas on a new BID Business Plan, which would form the basis of the business priorities for the next 5 years. The Council will

submit a response to this consultation based on themes and events as outlined above and, in the BID, Annual Review shown in Appendix A.

- 2.13 The local authority has a statutory responsibility to support the development of BIDs and facilitate their establishment. This includes conducting the ballot and collecting and enforcing the levy. The authority must also confirm that the proposed BID does not conflict with area plans and schemes. If the local authority is of the opinion that the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the levy is unjust, it can decide to veto the proposals. The local authority can only veto proposals within 14 days from the date of the ballot.
- 2.14 If a yes vote is achieved there will be a requirement to ensure the BID body has good governance in place – the activities of the BID body will be scrutinised by the lev payers who fund the BID. In particular the BID will need to ensure the correct arrangements are in place relating to membership of the BID body, board elections and annual reporting mechanisms.

### **3. OPERATIONAL ISSUES**

- 3.1 The Council's Democratic Services will be required to manage the formal ballot process; the ballot will be a postal ballot of all businesses in the BID area, liable to pay the BID Levy. It will be conducted by an external company on behalf of the Returning Officer. The Legislation stipulates that the costs of the Ballot need to be met by Redditch Borough Council.
- 3.2 If the re-vote ballot supports the BID to 2029, there will be no direct staffing implications. Officers will continue to support BID activities and attend meetings, as appropriate.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 As a BID levy payer, the Council currently pays £4,323 per annum which will remain the same going forward.
- 4.2 The estimated costs for running the BID Ballot 2024 are approximately £5k which will be outsourced to an external company, overseen by the Councils Returning Officer. This will be funded using the existing Town Centre revenue budget.
- 4.3 The decision to continue and manage the BID is the responsibility of those businesses included in the BID Area. Finance's role is to provide

the service for collection and recovery of the levy on behalf of the BID. These services are provided at cost to the BID and therefore there is no financial impact on the Council.

**5. LEGAL IMPLICATIONS**

- 5.1 Renewal of BID arrangements is brought about in much the same way as the original establishment of the BID, through a ballot. A BID renewal ballot operates under broadly the same system as an original BID ballot, regulated by the framework in the Local Government Act 2003 and BID regulations. The operating agreement for collection of levy monies will be updated and agreed by Legal Services and Redditch BID.
- 5.2 In order to meet the statutory requirements for running the ballot due to no committee meetings in April and May this report is being considered prior to the proposed business plan being completed.

**6. OTHER - IMPLICATIONS**

**Relevant Strategic Purpose**

- 6.1 The BID would assist in the following Council strategic purposes;
- Help me run a successful business
  - Keep my place safe and looking good
  - Provide good things for me to see, do and visit
  - Provide and support high quality, culturally diverse events and arts activities
- 6.2 Redditch BID would support the work being undertaken by the Redditch Town Deal Board, Safer Redditch and the work of the Centres Officer.

**Climate Change Implications**

- 6.2 Having assessed the potential for impacts on climate change, it is considered that there are no impacts as a result of this proposal.

**Equalities and Diversity Implications**

- 6.3 Having assessed the potential for impacts on equality, it is considered that there are no impacts as a result of this proposal.

**7. RISK MANAGEMENT**

- 7.1 The BID provides and facilitates a number of activities and business promotions across the town centre. These functions have a cost associated with them. That cost is covered by the BID levy. The concern is that if the BID ceased to exist, then either those activities would not occur, or the expectation would be that Redditch Borough Council itself provided those functions. This would place significant and unbudgeted financial impacts on the Council.
- 7.2 If the BID ceased to exist, there is also a risk that the voice of local businesses would be less effective and less vocal. However, alternative models of engagement could be developed.

**8. APPENDICES and BACKGROUND PAPERS**

Appendix A BID Annual Review

Appendix B BID Renewal Information Sheet