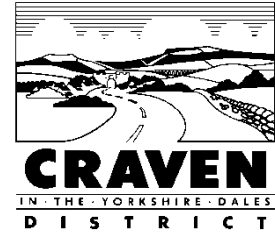


Policy Committee – 19th July 2016

Grassington Business Improvement District



Report of the Strategic Manager Planning and Regeneration

Ward(s) affected: All

1. **Purpose of Report**

To introduce the concept of a Grassington Business Improvement District and request £7,000 towards the costs of supporting the development stage of a BID.

2. **Recommendations**

Members are recommended to:

- 2.2 Agree a supplementary estimate in order to contribute £3,500 to the Grassington BID organising committee to support their development costs and a further £3,500 for possible election costs incurred by Craven DC.

3. **Background to Business Improvement Districts**

- 3.1 A BID is a private sector led organisation that aims to improve the business environment for a specific area. Through consultation, the key issues are identified, a range of projects and services are agreed in a business plan and these are then put to a democratic vote involving all the eligible businesses in an area. If the vote is successful then the projects are implemented through a levy that is charged in addition to standard business rates.
- 3.2 A Business Improvement District (BID) is an initiative introduced into the UK after many years of success in America and Canada. It has now been extensively adopted by many towns and industrial areas across the country and towns such as Colne and Richmond are currently considering establishing BIDs. Skipton BID has been in existence for seven years.

4. **Profile of the Business Improvement District**

- 4.1 Key stages in the development process are the identification of an appropriate BID boundary and the size of the potential levy and the funding required to deliver the necessary projects.
- 4.2 All business ratepayers in the area covered by the BID have a vote on the proposals, and proceed, more than 50% have to vote 'yes'. Those in favour must also represent at least 50% of the rateable value in the area. If these criteria are met, then the Business Plan will be activated and **all** eligible businesses within the BID district boundary will be charged the BID levy. The person entitled to vote, and be liable for the levy, are the ratepayers of premises in the BID area. Following a successful original vote, neither the BID arrangements, nor the levy percentage can be changed without an alteration ballot. This must follow the same criteria as the original vote – the majority must vote in favour of the

alterations, and this majority must represent at least 50 % of the total rateable value of the BID.

- 4.3 The BID proposals will be funded through a levy on business rates. The Grassington BID will apply a levy on the percentage of the rateable value on all eligible properties. The levy will be applied on the basis of the most recent rateable values as supplied by Craven District Council. At present Grassington BID is in the early consultation stages with local businesses and has not agreed a percentage levy or a geographic area so it is not possible to estimate the likely funds raised by a BID. It is expected that if the proposal proceeds to a ballot that this will take place in 2017.
- 4.4 If successful, the Grassington BID will initially operate between 2017 and 2022, and after this it can be extended or renewed, subject to a new vote. Over these five years the Business Plan will be subject to ongoing review and evaluation.

5.0 Local Authority Standards of Service

- 5.1 The funding from the BID is to meet the aims of the Grassington BID Company and not those of Craven District Council, North Yorkshire County Council, Grassington Parish Council or other public bodies. The funding is not to substitute funding from alternative sources so as part of the process each local authority will be asked to make a statement of the level and purpose of funding that they spend in the BID area called the Standards of Service.

6.0 Role of Craven District Council

- 6.1 The legislation is clear that the collection authority for NNDR is classed as the enabling authority to establish a BID and therefore it is our responsibility to fund and organize the ballot sits with Craven District Council. For the postal vote for Skipton BID it cost approximately £3,500 in 2014.
- 6.2 If the vote is successful then Craven District Council and the Grassington BID company will agree an operating agreement that sets out how the levy will be collected, how management information is provided and also the fee that Craven District Council will receive. This fee is typically between 3% and 5% of the levy and this rate will be agreed between the Grassington BID and Craven DC at the appropriate time.
- 6.3 There will be a cost to the Revenue and Benefits Team and the Finance Team for setting the BID up and in addition there will be software costs of £3,750 to upgrade the Northgate system for a second BID. These will be charged to the Grassington BID.
- 6.4 At the beginning of the financial year Craven District Council assess the likely income from the levy and this funding is transferred to the BID Company. Any bad debts are then subtracted from subsequent year's assessments. The responsibility for pursuing non-payers is Craven District Council in exactly the same way as a non-payer for NNDR.
- 6.5 Unlike in Skipton, Craven District Council does not hold any assets that are required to pay NNDR in Grassington so we will neither get a vote in the Grassington BID ballot nor pay the levy.

7 Implications

7.1 Financial Implications

As there are not any hereditaments in the likely BID area owned by Craven District Council we will not be paying the levy.

Craven District Council is obliged to fund any ballot which we estimate to be £3,500 based on the Skipton ballot. The remaining £3,500 is to support the development of the Grassington BID. The £7,000 is a supplementary estimate to the budget.

7.2 Legal Implications

The Grassington BID must be established in accordance with the provisions of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004.

The Regulations require that the cost of the ballot is met by the Council.

7.3 Contribution to Corporate Priorities and the Community Strategy –

A successful BID vote would contribute to achieving the following corporate priorities:

- Enterprising Craven
- Resilient Communities

7.4 Risk Management – There are no risks relating to this report.

8. Consultations with Others –

Legal Team
Revenue and Benefits Team

9. Access to Information: Background Documents –None.

10. Author of the Report –

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.