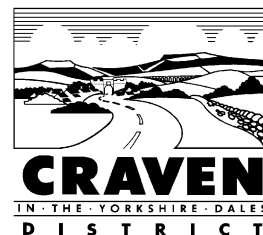


Policy Committee – 9th July 2013

SKIPTON BUSINESS IMPROVEMENT DISTRICT – RENEWAL



Report of the Strategic Manager for Planning and Regeneration

Ward(s) affected: Skipton Wards

1. Purpose of Report –

To consider proposals for the renewal of the Skipton Business Improvement District for the five year period from April 2014 to March 2019.

2. Recommendations –

Members are recommended to:

- 2.1 Support the proposal to seek the renewal of the Skipton Business Improvement District.
- 2.2 Support the development of a Proposal Document and Business Plan.

3. What is a Business Improvement District?

- 3.1 A Business Improvement District (BID) is a partnership between a local authority and local businesses which is intended to provide improvements or extra services within a specified area. This is funded in whole or in part by a levy which is additional to the non-domestic rates. A “proposer”, which in the case of Skipton is the current BID company (Skipton BID Limited), is required to develop a proposal describing the additional services and the cost to the ratepayers.
- 3.2 All non-domestic ratepayers in the BID area vote on the proposal in a ballot. Approval for the proposal in the ballot has to meet the following tests:
 - A majority of those voting in the ballot must vote in favour
 - Those voting in favour must represent a majority by rateable value of the hereditament (rateable properties) of those voting.

If the result of the ballot is in favour, the levy becomes mandatory on all defined ratepayers and is treated as a statutory debt. However, businesses must be able to sustain the additional cost. BIDs can choose to exclude the smallest businesses and charities; some have excluded certain business sectors or type of business.

3.3 The proposal voted for has a lifespan of five years. 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 – as outlined in 3.2 above.

4. **Background to the Skipton Business Improvement District**

4.1 The Skipton BID was established in 2009 to operate for a term of five years, to expire at the end of March 2014. The management and operation of the Skipton BID is undertaken by a not-for-profit company known as Skipton BID Limited. All businesses in the BID area are eligible to join the company and appoint its directors – at present there are eight directors.

4.2 The defined geographical area of the Skipton BID is outlined on pages 10 and 11 of the attached document. The area, which incorporates the main commercial and retail core of the town, encompasses 544 individual business hereditaments, of which 10.6% (58) are excluded from paying the levy (and therefore from voting in the BID ballot). It was agreed that the levy should only apply to properties with a rateable value of over £3,000. Hospitals, schools and voluntary organisations with premises of a non-commercial nature are also excluded and not charged the BID levy.

4.3 Skipton BID Ltd. does not operate as a direct deliverer of projects/activities. Instead, the company looks to commission other organisations, such as Skipton Town Council and Welcome to Yorkshire to deliver activities set out in the BID Proposal and Business Plan. A list of activity that the BID has funded thus far can be found on pages 7 and 8, and pages 12 to 14 of the attached document.

4.4 Skipton BID Ltd., has informed the Council that it wishes to continue the BID for a further term of five years from 1st April 2014 to 31st March 2019 and, is in the process of developing a Proposal Document and Business Plan.

5. **Skipton BID – (draft) Proposal Document and Business Plan**

5.1 The Proposal Document and Business Plan is the basis upon which all eligible businesses, including the Council will decide how to vote. A copy of the (draft) Proposal Document being developed by Skipton BID Ltd for a second term is attached to this report.

5.2 The aim of Skipton BID for a second term is to ensure that the town is:

- Attractive, clean and green
- Safe and secure
- Marketed and promoted successfully as a high quality visitor destination
- An environment where businesses continue to prosper
- A place where cultural activities and festivals add to the overall experience of both visitors and residents alike

How Skipton BID proposes to achieve these aims is outlined on page 9, and pages 15 to 22 of the attached document.

Skipton Town Partnership:

- 5.3 Skipton BID is proposing a change to the structure of the Board. Whilst the legal entity will remain as the Skipton BID Ltd., the proposal is for it to operate as the Skipton Town Partnership. To this end, Craven College, Craven District Council, Skipton Building Society and Skipton Town Council will be invited to become members of the Board.

In accordance with the current procedures, six Directors will be appointed from the private sector/business levy payers – one of these will represent the Skipton Chamber of Trade and Commerce.

- 5.4 The new Board will be responsible for setting policy; giving guidance to the BID Manager; approving projects, expenditure, budget and cash flow statements. The role of BID Manager is a new post to be joint-funded with Skipton Town Council. The BID Manager will have joint responsibility for the BID and the economic development of Skipton, and will be located within the offices of Skipton Town Council.

Further details about the proposed changes to the structure and operation of the BID can be found on page 5 of the attached document. The current staffing arrangements are described on page 26; the current Directors are listed on pages 29 and 30 of the attached document.

The BID Levy:

- 5.5 Skipton BID are proposing to retain the current levy of 1% of the rateable value of every business with a rateable value of £3,000 or above, each year over a five-year period. It is estimated that the levy will generate income of £150,000 per annum; £750,000 over the five-year term of the BID.

The following table shows how Skipton BID proposes to divide this income across the main budget headings:

Budget Heading	Total Expenditure: over five-year term
Administration and Establishment	£124,900
Marketing and Promotion	£210,000
Business Services	£70,100
Environmental including Christmas Lights	£169,000
New and Existing Festivals and Events	£76,000
Green Environment	£50,000
Contingencies	£50,000
TOTAL	£750,000

A breakdown of expenditure by financial year is available on page 25 of the attached document.

- 5.6 It is proposed that the Board will meet on a monthly basis to review progress, including the receipt of monthly financial and operational reports from the BID Manager. Quarterly meetings will be held with the Financial, Revenue and Benefit Services of this Council to monitor levy collection rates and other relevant financial matters.

Key Milestones:

- 5.7 The timetable for seeking a renewal of the Skipton BID is as follows:

Date	Milestone
November 2012	Letter to Craven District Council (as the Enabling Authority) advising of the intention to seek a renewal (second term)
June 2013	Inform the Department of Communities and Local Government (DCLG) of the intention to seek a renewal (second term)
July 2013	Presentations to stakeholders
September 2013	Formal presentation of the Detailed Proposal Document and Business Plan to Craven District Council (as the Enabling Authority)
September 2013	Craven District Council (as the Enabling Authority) to approach the Electoral Reform Society to conduct a ballot in January 2014
2 nd January 2014	Vote begins
31 st January 2014	Vote closes
12 th February 2014	Result of ballot announced

6. **Implications**

6.1 **Financial and Value for Money (vfm) Implications –**

There are no financial implications arising directly from the recommendations in this report. However, if a vote in favour of a second BID term is obtained, the Council

will be required to pay a 1% levy in respect of its business hereditaments within the BID boundary. It is estimated that the value of the levy to the Council would be £7,940 per annum; £39,700 over the five-year term of the BID.

As the billing authority, the Council is entitled to make a charge to Skipton BID for the cost of collecting the levy. The attached Proposal Document and Business Plan gives an annual cost for the collection of the levy as £4,000; £20,000 over the five-year term of the BID.

6.2 Legal Implications –

The legislative structures for BIDs are contained in the Local Government Act 2003. Detailed provisions concerning the development, introduction and administration of BID arrangements, and the subsequent alteration or termination of such arrangements are made by the Business Improvement Districts (England) Regulations 2004.

As the enabling and billing authority, the Council plays an important facilitating role and in particular is charged with legal responsibilities, including:

- provision of the ratings data to calculate the BID levy
- collection and enforcement of the BID levy via a ring-fenced BID Revenue Account that is then passed to the BID company
- organisation of the formal BID ballot
- preparation and commitment to the baseline service agreements.

The Council does not have an option but to be the enabling authority if an eligible “proposer” makes a proposal for the development of a BID. A proposer may be a billing authority (Craven District Council); a non-domestic ratepayer; a person with an interest in land within a proposed BID area; or members of a body which has, amongst its aims, the intention to manage a BID.

6.3 Contribution to Council Priorities –

If a vote in favour of a second BID term is obtained, the proposed activity to be delivered through the Skipton BID will contribute to the Council’s priority to address the impact of the recession by improving the economic vitality of the District’s market towns and villages. In particular, the BID will play an important role in growing the value of the visitor economy to Skipton.

6.4 Risk Management –

There are no significant risks as a result of approving the recommendations in this report.

The Council’s exposure to risk will be in respect of its role as enabling and billing authority.

6.5 **Equality Analysis** –

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation,

7. **Consultations with Others** –

Chief Executive

8. **Access to Information : Background Documents** –

Skipton BID Business Plan (2009)

9. **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.

10. **Appendices** –

Appendix – Detailed Proposal Document and Business Plan (draft)