

REPORT TO: Executive Board

DATE: 2 July 2015

REPORTING OFFICER: Strategic Director, Children and Economy

SUBJECT: Business Improvement Districts –
Future Management Arrangements

PORTFOLIO: Physical Environment and Economic Development

WARDS: Mersey & Ditton

1.0 PURPOSE OF THE REPORT

The purpose of this report is to advise Members of a proposal by Halton Chamber of Commerce to take on the Management of the Business Improvement Districts (BIDs) in Astmoor and Halebank Industrial Estates.

2.0 RECOMMENDED: That

- 1) Members note the proposal for Halton Chamber to take on the management and delivery of the BIDs programmes in Astmoor and Halebank; and
- 2) Members agree to Halton Borough Council continuing its role as billing authority for the BIDs area.

3.0 SUPPORTING INFORMATION

The Local Government Act in 2003 allowed partnerships between local authorities and the local business community to set up BIDs.

BIDs allow businesses in a specific geographic area to develop a business plan aimed at improving the area. The proposals contained within the Business Plan are funded by a levy on businesses and are subject to a ballot. The BID is operational for five years.

The BIDs schemes in Halton have been very successful and businesses have seen a number of improvements to the areas over the last seven years. The current BID programme runs until 2018.

BIDs provide a cost effective way for business to work collaboratively to achieve a series of common objectives and, given the businesses in the respective areas “speak with one voice”, it is easier for the Council to liaise with a number of businesses as a collective.

There are a number of mechanisms that can be used for managing and delivering BIDs. In some instances, BIDs can be a subsidiary company of an existing organisation or can choose to be an independent limited company.

Given that the Halebank and Astmoor BIDs areas are relatively small, the Council has acted the BID body for both areas, with the BIDs governed by Steering Groups and an Executive Committee chaired by business representatives.

Up until now, the Council has provided the following services to the BIDs Executive and Steering Group:-

Programme Administration

- A full time dedicate Estate Manger
- Administration support provided by a core member of the Business Improvement and Growth Team
- Regular Business Steering Group meetings
- Management of a dedicated website (Astmoor only)
- Production of an on-line business directories
- Quarterly estate news letters
- A specific Inward Investment brochure (Astmoor only)
- Accountancy and payroll service
- HR services
- Legal services
- BID collection services (costs recovered separately)

The BID Team have facilitated the delivery of the following initiatives:-

Crime Reduction and Community Safety Initiatives

- Estate wide CCTV systems
- SmartWater DNA forensic property marking equipment for every businesses on the estate
- A twenty four hour alarm or incident response service
- A 365 days per year key holding service
- Automatic alarm diallers linked to existing security systems and connected to the alarm response service
- High profile crime prevention signage
- Vacant property alarms and external PIR sensors
- An Auto Number Plate Recognition (ANPR) CCTV system link to Cheshire Police recording all vehicles entering and exiting the estate (Astmoor only)
- A dedicated mobile CCTV patrol vehicle (Astmoor only)
- Three mobile security patrols each day (Astmoor only)
- Day time guarding between Monday and Friday (Astmoor only)

Image Enhancement

- New gateway signage at each vehicle entrance
- Landscape improvements

- Enhanced cleansing regime
- The painting of gates and fences around the estate in a uniform style (Astmoor only)
- Paint the external cladding of a number of buildings (Astmoor only)

Business Support

- The BID Programme manages a comprehensive free training programme which is free to all BID companies. Training courses include : -
 - Health and Safety
 - First Aid
 - Forklift ITSSAR
 - Management Development
 - Marketing
 - Financial Management
 - Quality Assurance
- BID businesses can also take advantage of free membership of Halton Chamber of Commerce and Enterprise

The cost of delivering these services is broken down as follows:-

Financial Year 2014\15	Halebank	Astmoor
Admin' & Support Services Recharge	£8,410.00	£7,890.00
BID Levy Collection Charges	£3,700.66	£8,634.88
Total	£12,110.66	£16,524.88

The Council has recovered this cost through the BID levy.

The Council has only charged the actual unit cost of delivering the service based on internal recharge calculations. The Council has never made a profit from this.

Nevertheless, in recent months, the BIDs Executive Committee has expressed the view that it believes that the BID programme can be delivered at a reduced cost by not using the Council as the BID body. The BIDs Executive has been in dialogue with the Chamber of Commerce and Enterprise and a proposal has been received from the Chamber to take on the BID body role as a "Project Management Organisation". The Chamber has set out a Service Level Agreement between Halton Chamber of Commerce and Enterprise, Halton Borough Council and the BIDs areas.

The BIDs legislation allows businesses to determine how they would wish the BIDS programme areas to be managed and they are not required to commission the Council to do this.

However, the Council would continue to take on the following responsibilities.

- Issuing of BID Levy bills.
- Collection of the BID Levies from liable BID Businesses.
- Provide BID Levy income statements on a monthly basis.
- Transfer BID Levy income to the PMO on a monthly basis.
- Second the BID Manager to the PMO, for the duration of the BID term, to deliver the BID Business Plans.
- Consult with Astmoor & Halebank BID and the PMO in the development of Council policies and strategies. In particular those that impact upon the activities of the BID and its businesses. i.e. Business Support and Grant assistance available
- Provide officer support to the BID Manager.
- Provide in-kind Officer Support to the BID Manager (as resources allow)

As mentioned, the BID Manager is currently a member of the Council's Business Improvement and Growth Team, and would be seconded to the Chamber.

An agreement would be drawn up between the Chamber and the Council confirming the secondment arrangements but, in summary, the BID manager would continue to be an employee of the Council and would be paid from the BID levy but day to day management of the post would rest wholly with the Chamber and Commerce and Enterprise.

4.0 POLICY IMPLICATIONS

The proposal will result in the private sector taking a more proactive role in leading and delivering the BIDs programme, with the public sector taking a reduced role in the day to day management of the programme. Seen objectively, the positive outcome is that businesses in the borough will continue to benefit from a BIDs programme.

5.0 OTHER FINANCIAL IMPLICATIONS

The transfer of the responsibility for managing the BID programme from the Council to the Chamber will result in a loss of income of £16k to the Council.

However, it should be borne in mind that the management of the BIDs programme is time-consuming and, when undertaking a basic cost benefit analysis, the benefits of removing the burden of managing the BIDs programme far outweighs the loss of income received.

The Council will be reimbursed for the technical expertise and systems it provides to manage the Bid Levy and billing arrangements.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

Children and Young People

N/A.

Employment Learning and Skills

The BIDs programme works with businesses to provide an environment which assists businesses to retain and create jobs.

Healthy Halton

N/A.

Safer Halton

The BIDs programme has successfully implemented a number of crime prevention initiatives which have led to significant reduction in crimes in the respective industrial estates.

Halton's Urban Renewal

The BIDs programme has generated over £1m of private sector investment which has been invested in improving the overall environment and appearance of the BIDs areas.

7.0 RISK ANALYSIS

There is an expectation that the Council will continue to provide support to the BID, but that the Council will lose overall control of how the BIDs areas will operate in the future. However, this risk will be reduced in the following way: Firstly, there are strong links between the Chamber and the Council and a common, shared purpose for supporting the business community in the Borough. These relationships have been further enhanced by the development of the Liverpool City Region Growth Hub which further promotes joint working between the Councils and Chambers. Secondly, the approved Business Plan that covers the BID programme to 2018 was developed with the Council as a key stakeholder. Any changes to the main focus of the Business Plan would require a re-ballot. Consequently, it is argued that the Council's interests and priorities are adequately reflected in the document.

8.0 EQUALITY AND DIVERSITY ISSUES

There are no equality and diversity issues arising from this report.

9.0 BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.