

**REPORT TO:** Executive Board

**DATE:** 20 September, 2007

**REPORTING OFFICER:** Strategic Director Environment

**SUBJECT:** Business Improvement Districts Ballots

**WARDS:** Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.0 This report summarises the key elements of the Business Improvement Districts (BIDs) business plans for the Astmoor and Halebank industrial estates the contents of which businesses, within the respective areas, will be balloted on during November/December 2007. The report also seeks Executive Board approval to proceed with the ballot.

## **2.0 RECOMMENDED: That**

- (1) the Strategic Director - Environment, in consultation with the Executive Board Member for Planning, Transportation, Regeneration and Renewal, be authorised to approve the final BIDs business plans for Astmoor and Halebank industrial estates to be voted on in the ballots;**
- (2) the Strategic Director - Environment be authorised to take such other action as may be necessary to bring forward a BID at each of the two sites; and**
- (3) the Strategic Director - Environment be authorised to undertake the ballot in accordance with government regulations in relation to Business Improvement Districts.**

## **3.0 BACKGROUND**

3.1 The Government legislated in the Local Government Act 2003 to allow partnerships between local authorities and the local business community to set up BIDs. BIDs provide a means for local areas to develop and finance projects and services that will benefit localities such as town centres and industrial estates. This allows businesses in a given area to lead on and develop their own unique area improvement plans, in addition to those provided by the local authority. The proposals are subject to approval by a vote and are funded by a levy on businesses within the specified area. The levy is ring-fenced for the area to fund the extra services and improvements identified in the proposal. Each BID is operational for a maximum of five years before a new vote is taken. The local authority has a statutory responsibility to support the development of BIDs and to facilitate their establishment.

- 3.2 *'BIDs are proving to be successful across the country. Sixty areas have developed BID proposals, with 48 areas, including Birmingham Broad Street, Hull town centre, London Bridge and Oldham town centre currently taking economic development projects forward. The Government plans to assess the progress and impact of BIDs and consider options for strengthening the model.'*  
(Source: HM Treasury – Extract from the review of sub-national economic development and regeneration – July 2007)

### **Business Led Steering Groups in Halton - Achievements**

- 3.3 In 2004, three business led steering groups were established in Halton that are implementing jointly agreed action plans, which are aimed at addressing the local needs and priorities of the resident businesses. Two of the estates, Astmoor and Halebank, are the subject of this report and proposals to develop the existing partnerships by establishing a BID.

- 3.4 The improvements delivered by the Astmoor Industrial Estate Business Steering Group have resulted in:

- Removal of illegal street racing from the estate through the installation of speed humps
- Installation of bollards to prevent vehicular access to vulnerable areas and reduce fly-tipping
- Introduction of new and consistent street name plates with advanced direction signs to every side road from Astmoor Road
- Installation of speed activated signs and rumble strips on Astmoor Road to improve highway safety for pedestrians crossing the road
- Installation of entrance welcome signs
- General landscaping improvements to Astmoor and Davy Road
- Creation of an Astmoor Industrial Estate Website containing on-line business directory – [www.astmoor.org.uk](http://www.astmoor.org.uk)
- Establishment of a crime email alert group operated by Cheshire Constabulary

- 3.5 During the same period, the improvements delivered by the Halebank Industrial Estate Business Steering Group have resulted in:

- Introduction of new and consistent name plates
- Installation of a company sign board with map
- Installation of 10 fully functioning high speed dome cameras to monitor the industrial estate
- Installation of litter bins
- Grants available to fund external enhancements to business sites and improve security

### **Why BIDs?**

- 3.6 An Urban Renewal Scrutiny Topic Group explored the options for sustaining and expanding the current programme of regenerating Halton's employment sites (including the existing Business Parks Improvement Programme). The final report was considered by the Urban

Renewal Policy and Performance Board on 21 March 2007. The Board resolved that the key recommendations of the Topic Group be forwarded for consideration and decision by the Executive Board. (**Key Recommendation – Business Improvement Districts (BIDs)**).

- 3.7 At its meeting on 7<sup>th</sup> June 2007, Executive Board approved a process to:
- Begin formulating an outline business plan for a BID on Astmoor and Halebank Industrial Estates as a succession strategy beyond the lifetime of the Business Parks Improvement Programme (BPIP), which is only funded to March 2008.
  - Review the mechanisms available for delivering BIDs in Halton, either through the formation of a BID company, management by Halton Borough Council or a 3<sup>rd</sup> party body.
  - A budget be established, using existing resources, to fund the production of selling tools (Business Plan, flyers, launch events Website etc).
- 3.8 An officer led steering group, comprising representatives from Economic Regeneration, Business Rates, Internal Audit and Legal Services have been co-ordinating the preparation of the outline business plans and for the ballots, in conjunction with external consultants (Groundwork Trust) who were appointed to facilitate the process.

#### **4.0 THE MECHANISMS FOR DELIVERING BIDs**

- 4.1 BIDs can choose to be an informal partnership, with the local authority acting as the BID body and therefore holding financial responsibility, or they can choose to be an independent limited company with financial responsibility being held by the company directors. In some instances, BIDs may be set up as a subsidiary company of an existing organisation.
- 4.2 Incorporating a BID as a limited company, either independently or as a subsidiary, limits financial liability; allows a BID company to operate at a more strategic, decision making level; can attract directors at a senior level and enhance stakeholder buy-in by entrenching commitment to the initiative.
- 4.3 However, for partnerships running smaller projects, incorporation can be unnecessarily complicated because of the administrative burden of setting up a new company; the need to submit accounts and comply with company law; the likely need to pay for a company secretary and the requirement to have company activities audited. In these cases it is acceptable that the alternative administrative arrangements for BIDs be set out in the proposals to be voted on.
- 4.4 Having carefully considered the nature and scale of the Astmoor and Halebank BID's proposals, the view is that they are both too small to justify setting up a company specifically to run them and that the preferred option is that Halton Borough Council acts as the BID body for both areas. This option is viewed as giving the council most flexibility and influence on how the BIDs are taken forward. This is particularly

important on Astmoor, given the regeneration context of the Mersey Gateway.

## **5.0 GOVERNANCE, MANAGEMENT, AND DELIVERY OF THE BUSINESS IMPROVEMENT DISTRICTS IN HALTON**

5.1 The BIDs will be governed through the established Astmoor and Halebank Business Steering Groups. However, in order to ensure appropriate governance, a constitution for the Groups will be established. To date, the Business Steering Groups have been open to any company that wishes to join. Under the proposed Business Improvement Districts, every company that is located within the BID areas and, therefore, contributes towards the cost of the BIDs, will become a member of the relevant Steering Group. Each company will be able to appoint a representative, who will then have voting rights at the Business Steering Group meetings including the Annual General Meeting.

5.2 **The Business Steering Groups** will be responsible for:

- Overseeing the Business Improvement District and ensuring it delivers its services and improvements as identified within the business plan.
- Ensuring the finances raised from the Business Improvement District are used on items of expenditure as identified within the Business Improvement District business plan.
- Electing a chair and treasurer at the annual general meeting who will lead the executive committee.
- Electing on an annual basis up to four further executive members, who will join the *Executive Committee* to oversee the delivery of the Business Improvement District business plan.
- Appointing auditors to audit the accounts of the Business Improvement District.
- Approving the financial regulations for delegated authority for approval of expenditure under the Business Improvement District.

5.3 **The Executive Committee** will be responsible for:

- Guiding and directing the appointed project management organisation in the delivery of the Business Improvement District.
- Ensuring that the appointed project management organisation is held accountable for expenditure of BID monies.
- Approving eligible expenditure in line with the delegated powers detailed within the financial regulations that have been approved by the members of the Steering Group.
- Monitoring and reporting to members of the Astmoor Business Steering Group on the achievement of key performance indicators and expenditure.

## **6.0 THE BUSINESS PLANS**

6.1 The draft business plan for Astmoor is at Appendix I. The draft business plan for Halebank is at Appendix II. The draft business plans represent

work in progress, as further consultations on the contents are still to be undertaken with the respective Business Steering Groups, prior to them being finalised for the ballot. An update on the outcome of the consultations will be presented to the Board at the meeting.

6.2 The business plans for both estates are aimed at promoting the respective locations as areas of choice for both employers and employees across Cheshire and Merseyside, by working in partnership to focus on three themes for improvement:

- Increasing business security and preventing crime
- Providing a range of support functions that will benefit all businesses
- Image enhancement measures across the estate

6.3 BIDs will offer the following benefits, through a number of joined up themes of work, although not all will apply on each estate:

- **A business led partnership** and locally based industrial estate manager
- **Reduced levels of crime** - Every business will be provided with property marking systems to deter theft and enable the recovery of property. The business watch service will be continued to warn of crime incidents as and when they take place. The enhancement of existing systems and installation of new CCTV cameras at strategic points on the estates and additional security patrols will further deter and prevent crime.
- **Connected business community** – Networking, estates newsletters, business watch, on-line business directories, estate Web sites
- **Safer, less congested estates** with improved public transport links – Improved bus services, car sharing web site facility.
- **Business support** – Greater access to a range of business support services provided by local, regional and national organisations to support business growth and prosperity
- **Investment support** – Lobbying, promoting and developing the estate to improve the trading environment.
- **Enhanced image** – New plantings and landscape improvement schemes, maintenance programme for improvements delivered to date, business frontage charter.
- **Funding support** in cash and in kind from Halton Borough Council

## 7.0 EXPENDITURE AND INCOME

7.1 A summary of the expenditure and income covering the five years during which the BIDs will operate (2008/09 – 2012/13), is presented in tables A and B. Figures are also provided displaying expenditure during 2007/08, which is prior to the BID formally commencing on April 1<sup>st</sup> 2008.

**Table A – Astmoor BID**

<b>Expenditure</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>Total</b>
Business Support	£0	£21,175.00	£21,794.50	£22,432.59	£23,089.81	£23,766.76	£112,258.65
Administration	£0	£12,605.00	£12,605.00	£12,605.00	£12,605.00	£22,605.00	£73,025.00
Security	£115,000	£87,745.00	£90,245.00	£88,245.00	£88,245.00	£88,245.00	£557,725.00
Image	£0	£1,000.00	£8,000.00	£4,000.00	£1,000.00	£1,000.00	£15,000.00
Contingency	£0	£18,378.75	£19,896.68	£19,092.39	£18,740.97	£20,342.51	£96,451.30
<b>Sub Total</b>	<b>£115,000</b>	<b>£140,903.75</b>	<b>£152,541.18</b>	<b>£146,374.97</b>	<b>£143,680.78</b>	<b>£155,959.27</b>	<b>£854,459.95</b>
<b>Income</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>Total</b>
Business Levy	£0	£158,349.00	£158,349.00	£158,349.00	£158,349.00	£158,349.00	£791,745.00
HBC	£115,000	£0	£0	£0	£0	£0	£115,000.00
<b>Sub Total</b>	<b>£115,000</b>	<b>£158,49.00</b>	<b>£158,349.00</b>	<b>£158,349.00</b>	<b>£158,349.00</b>	<b>£158,349.00</b>	<b>£906,745.00</b>
<b>Balance</b>	<b>£0</b>	<b>£17,445.25</b>	<b>£5,807.83</b>	<b>£11,974.03</b>	<b>£14,668.22</b>	<b>£2,389.73</b>	<b>£52,285.05</b>

**Table B – Halebank BID**

<b>Expenditure</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>Total</b>
Business Support	£0	£9,375.00	£9,640.50	£9,913.97	£10,195.63	£10,485.75	£49,610.85
Administration	£0	£4,836.00	£4,836.00	£4,836.00	£4,836.00	£4,836.00	£30,180.00
Security	£33,000	£19,355.80	£20,855.80	£19,605.80	£19,855.80	£19,605.80	£132,279.00
Image	£7,000	£0	£0	£3,500.00	£1,000.00	£1,000.00	£12,500.00
Contingency	£0	£5,035.02	£5,299.85	£5,678.36	£5,383.12	£6,289.13	£27,685.48
<b>Sub Total</b>	<b>£40,000</b>	<b>£38,601.82</b>	<b>£40,632.15</b>	<b>£43,534.13</b>	<b>£41,270.55</b>	<b>£48,216.69</b>	<b>£252,255.33</b>
<b>Income</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>Total</b>
Business Levy	£0	£46,440.00	£46,440.00	£46,440.00	£46,440.00	£46,440.00	£232,200
HBC	£40,000	£0	£0	£0	£0	£0	£40,000
<b>Sub Total</b>	<b>£40,000</b>	<b>£46,440.00</b>	<b>£46,440.00</b>	<b>£46,440.00</b>	<b>£46,440.00</b>	<b>£46,440.00</b>	<b>£272,000</b>
<b>Balance</b>	<b>£40,000</b>	<b>£7,838.18</b>	<b>£5,807.86</b>	<b>£2,905.87</b>	<b>£5,169.45</b>	<b>- £1,776.69</b>	<b>£19,944.67</b>

7.2 If successful votes are achieved, the Council's contribution to the Astmoor BID will be £115,000 and £40,000 to the Halebank BID. The Council has allocated a sum of money from the capital priorities fund to the Halton Strategic Partnership (Urban Renewal Specialist Strategic Partnership) and they have chosen to allocate a cash amount towards the initial capital costs required to implement the new BID services. The allocation forms part of the Business Parks Improvement Programme Service Level Agreement for 2007/08, which will be spent prior to the BID formally commencing on April 1<sup>st</sup> 2008. In addition, if the in-house management option is selected the council will be making a small in-kind contribution to cover accommodation and administration of the BID Manager. These costs will be met within the Economic Regeneration core budget and have strategically been included in the business plan so that the member of staff can be flexibly deployed on other work as appropriate (otherwise he would have to dedicate 100% of time to the two BIDs).

7.3 The contribution from the private sector towards the Astmoor BID will be £791,745 and from the Halebank BID, £232,200, amounting to a total

contribution of **over £1million**. This represents a significant contribution towards the economic regeneration of the borough that will not only benefit resident businesses, but will also help to retain jobs and attract investment.

## **8.0 BASELINE AGREEMENTS**

8.1 To ensure that the Business Improvement Districts do not fund any statutory services provided by the Local Authority or Cheshire Police, a number of baseline commitments have been provided by Halton Borough Council and Cheshire Police. These baselines relate to:

- Highway cleansing
- Cleansing of entrance signs
- Grass cutting
- Litter picking
- Litter bin emptying
- Business watch and Community Support Police Officers

## **9.0 THE BALLOTS**

9.1 Ballot papers for both estates will be dispatched by an external ballot holder (Electoral Reform Service or similar) on behalf of Halton Borough Council, on or after the 5<sup>th</sup> November. The ballot papers must be returned to and have been received by the external ballot holder on the 6<sup>th</sup> December 2007, which is the formal day of the ballot.

9.2 A non-domestic ratepayer (business ratepayer) will be entitled to vote if they were listed as a non-domestic ratepayer on the date the notice of ballot is published. In the case of an empty, partly refurbished property, the property owner will be entitled to vote. According to the Valuation Office Agency figures, there are 156 rateable properties on Astmoor and 38 on Halebank.

9.3 Each business ratepayer entitled to vote shall have one vote in respect of each hereditament (premises/building with an individual rateable value) in the geographical area of the Business Improvement District on which non-domestic rates are payable. For the Business Improvement District to proceed there must be:

- A majority voting in favour of the proposal from the number of votes cast, and
- A majority in level of rateable value from votes cast in favour of approving the proposal.

## **10.0 COLLECTION OF THE BUSINESS IMPROVEMENT DISTRICT LEVY**

10.1 Following a vote in favour of the BID(s), the BID levy will be charged in March/April in 2008, and annually from 2008 until 2012 (the last year when a charge will be levied from this proposal.) Halton Borough Council will be responsible for billing and collecting the levy on behalf of the Business Improvement District. The payment of the BID levy from

companies to Halton Borough Council will be expected within 30 days of the demand being issued. The cost of collecting the BID levy will be recovered by Halton Borough Council through an agreed unit charge applied to each hereditaments.

- 10.2 To ensure the BID levy can be collected from April 2008, the ballot must take place during November with a result in early December.

## **11.0 LEGAL IMPLICATIONS**

- 11.1 When the BID proposals are submitted, this will involve the Council as billing authority in taking decisions under the Business Districts (England) Regulations 2004 and Part 4 LGA 2003. Under Regulation 4(4) the Council will be required to consider whether the proposals conflict with any formally adopted and published policies, and to notify the proposer if they do. Under Regulation 5(1) the Council will have to instruct the ballot holder to hold the ballot. The timescale for doing this is tight, as explained elsewhere in the report and, therefore, it would be appropriate for the responsibilities of the Executive Board under Regulations 4(4) and 5(1) in respect of the BID proposals for Astmoor and Halebank to be delegated to the Strategic Director, Environment Services.

## **12.0 POLICY IMPLICATIONS**

- 12.1 The issues and priorities addressed through the BIDs are directly aligned to the Community Strategy:

### Urban Renewal

- Increase the number of jobs in Halton
- 100,000 sq mts of new and improved floor space

### Employment Learning and Skills

- Increase employment rate
- Increase VAT registrations (new companies)

### Safer halton

- Reduce overall crime (in line with Halton's Crime and Disorder Reduction Partnership targets).

## **13.0 OTHER IMPLICATIONS**

- 13.1 The existing Business Parks Improvement Programme has been supported by the LSP (Urban Renewal SSP) through the use of NRF and Council capital funding, which ends March 2008. The development of Business Improvement Districts is an ideal forward strategy for the initiative, as it will generate a minimum of 5 additional years of economic regeneration by transferring funding from the public to private sector.

## **14.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **Children and Young People in Halton**

There are no implications arising from this report.



## **Employment, Learning and Skills in Halton**

The programme of work set out in the BIDs proposals, will assist with the ongoing challenge to retain existing and create new jobs.

### **A Healthy Halton**

There are no implications arising from this report

### **A Safer Halton**

Both BID's proposals will provide a package of crime prevention initiatives that are designed to deter crime from the estates, including plans to either enhance existing CCTV security systems, or install new systems which will assist in designing out crime on the estates, which will be backed up by a response to incidents.

### **Halton's Urban Renewal**

BIDs are considered to be an excellent exit strategy for projects funded through the Halton Strategic Partnership, as the BIDs will attract a significant private sector contribution (more than £1 million over 5 years) to contribute towards the economic regeneration of the borough.

## **15.0 RISK ANALYSIS**

- 15.1 Consultations with businesses indicate that there is an expectation that the Council will support the BID financially to ensure that revenues from the BID levy are focused predominantly on day-to-day service delivery. This has already been allowed for within the existing Business Parks Improvement Programme that will fund infrastructure, particularly CCTV. The council contribution will only be committed through the letting of contracts once a yes vote is secured. As such, it is being used to incentivise a yes vote.
- 15.2 If there is a 'no' vote in both ballots, the planned programmes of work on the estates, set out in the respective business plans, will not be able to proceed and the current work BPIP programme, that is working to retain existing companies, attract inward investment, reduce crime and enhance the overall appearance of the areas will cease at the end of March, 2008.
- 15.3 In the event there is a 'yes' vote in one ballot and a 'no' vote in the other, the work programme in the area that voted 'yes' will proceed and will be managed in accordance with the time allocations set out in the respective business plans, i.e. Astmoor 3.5 days per week and Halebank 1.5 days per week. In the area that voted 'no', the planned work programme will not proceed and the current work programme will be discontinued at the end of March 2008.

**16.0 EQUALITY AND DIVERSITY ISSUES**

16.1 There are no equality or diversity issues arising from this report.

**17.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

17.1 None under the meaning of the Act.