

## **TAUNTON DEANE BOROUGH COUNCIL**

**EXECUTIVE 19<sup>TH</sup> NOVEMBER 2003**

### **BUSINESS IMPROVEMENT DISTRICTS**

#### **REPORT OF THE HEAD OF FINANCE**

**(this matter is the responsibility of the Leader of the Council)**

#### **EXECUTIVE SUMMARY**

The Local Government Act 2003 introduced the primary legislation necessary to create Business Improvement Districts (partnerships between local authorities and local businesses to deliver schemes that will operate for the benefit of the community). There are still further consultation papers expected on this subject before the formal guidance is issued to allow BIDs to go live. Meantime local authorities are encouraged to work with local businesses to develop BIDs. This report requests the Executive to approve TDBC's involvement in a project team to develop a BID.

#### **1. Purpose of Report**

- 1.1 To inform the Executive of the opportunities offered by the Local Government Bill 2003 with regard to the creation of Business Improvement Districts.

#### **2. Background**

- 2.1 The Government issued a consultation paper earlier this year outlining their ideas on the creation of Business Improvement Districts (BIDs). The paper covered the policy and legislative background on BIDs, gave suggestions on how to form a BID and prepare a proposal, and guidance on how to manage a BID once it has been formed.
- 2.2 The consultation paper was the first attempt at developing policy on this subject and recognised that it would evolve over time and indeed may need to be revised in light of the lessons learned from the pilot BID schemes currently running throughout the country.
- 2.3 The Government have now set out in the Local Government Act 2003 the necessary primary legislation for BIDs to be formed, although further guidance papers are expected before a formal BID can commence.

#### **3. What is a Business Improvement District?**

- 3.1 A BID is a partnership arrangement through which local authorities and the local business community can take forward schemes that will benefit the local community, subject to the agreement of business ratepayers.
- 3.2 BIDs are funded by an additional levy on business ratepayers. A BID can be established in any place where additional services to those that the local

authority provides are desired (ie town centres / particular streets / or larger areas).

- 3.3 BIDs are part of the Governments strategy in encouraging partnership working between local authorities and businesses to achieve improvements. In BIDs the partnership between businesses and local authorities will be mutual; local authorities and business will need to reach agreement on the nature and scope of improvements, and secure a favourable vote from businesses before the improvements can be made.
- 3.4 BIDs are also part of a wider agenda encompassing urban and community regeneration including liveability, cleanliness, safety and attractiveness of street and public places.

**4. The Legislative Framework**

- 4.1 The Local Government Act 2003 was passed in Parliament on 18<sup>th</sup> Sept 2003. This gave the primary legislation necessary to create BIDs. Draft Regulations are likely to be issued for formal consultation in November 2003, with a view to coming into force in Summer 2004. Guidance papers were issued to local authorities for consultation earlier this year and will be finalised in Summer 2004. This is the earliest that a formal BID could be created.

**5. Rough Guide To Creating A BID**

- 5.1 An outline timetable is set out below for illustrative purposes only.

<b>Month 1</b>	Begin to form a partnership. Meetings of key stakeholders in the local area to discuss possible improvements.
<b>Month 4</b>	Stakeholders interested in forming a BID should come together and discuss the feasibility (ie geographic area / projects / sector)
<b>Month 8</b>	Plans produced by stakeholders should be discussed in the proposed BID area.
<b>Months 9-10</b>	Forming the BID board. Production of business plan.
<b>Months 10-15</b>	Drawing up the BID proposal.
<b>Month 15</b>	Consult on BID proposal and secure support of key businesses in the area.
<b>Months 16-18</b>	Put the BID proposal to a vote.
<b>Months 18-20</b>	Should the BID vote be successful, BID arrangements can commence.

**6. Outstanding Issues**

- 6.1 There are a few fundamental issues that need to be resolved by Government prior to the formal creation of any BID scheme, including:-

- 6.2
  - The Vote            Electoral legislation is complex and the Government intend to develop new simplified procedures for BIDs (Regulations).

Revenue Issues	Still lots of unanswered questions re the billing and collection of BIDs. The Govt intend to issue a separate guidance document on this area.
Data Sharing	Perhaps the biggest issue to be resolved. The Government need to introduce legislation to give local authorities the power to use NNDR data for BID purposes.
Property Owners	The current situation does not allow for the mandatory involvement of the property owners. It is entirely at the discretion of the individual BID. This is causing some debate nationally and is likely to be reviewed in a few years time.

## **7. Lesson Learned From Pilot BID Schemes**

7.1 The main issues emerging from the pilot scheme are:-

- It is important to timetable sufficient time in the planning stage of a BID project. It is important to get the content right and this may take a significant amount of time and effort.
- It is important to ensure the BID doesn't stand alone. It must fit with the local authority's strategic wider objectives (and those of the Local Strategic Partnership!).
- BID schemes can be used for all types of projects – don't assume they should focus entirely on the retail sector.

## **8. What Next For Taunton Deane Borough Council?**

8.1 The Town Centre Partnership (TCP) is keen to develop a BID. A project team, chaired by Richard Lee (Manager of Boots), has been created to try and push this forward. The team is currently made up of:-

Richard Lee - Manager of Boots  
Lucy Ball - Town Centre Manager  
Keith Lowe - Manager – Old Market Shopping Centre  
Vincent Boni - County Gazette  
Nicola McLean – Taunton Times  
Shirlene Adam – Taunton Deane Borough Council

The core team is likely to grow as the BID project develops.

8.2 The project team are currently engaging with key partners to ensure that the BID concept is supported (LSP and TDBC).

## **9. Impact on Corporate Priorities**

9.1 The creation of a BID would strengthen the relationship between this Council, the Local Strategic Partnership and the local business community. It would focus attention on key projects that meet our shared priorities.

**10. Recommendation**

- 10.1 The Executive is requested to consider the concept of Business Improvement Districts and to support the project team in its strive to gain stakeholder backing.
- 10.2 The Executive is recommended to request the Community Leadership Panel to monitor the progress of the BID over the coming months.

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