Economy & Regeneration Scrutiny Committee Meeting: 17th June 2021

STOCKPORT TOWN CENTRE BUSINESS IMPROVEMENT DISTRICT (BID) – BALLOT 2021

Report of the Corporate Director (Place) and Deputy Chief Executive

1. PURPOSE OF THE REPORT

1.1 To outline the process for Stockport Town Centre Business Improvement District (BID) to carry out a ballot in October 2021.

1.2 To explain the specific role of the Council and its responsibilities in relation to the ballot and to seek the necessary authorisations to enable the ballot to take place.

2.0 BACKGROUND

2.1 In October 2016 a ballot took place to establish the first Business Improvement District for Stockport town centre. Of those who voted in the ballot 64.7% voted in favour of establishing the Stockport Business Improvement District.

Total number of votes cast in the ballot, excluding any given on ballot papers rejected:	193 – 38.49% turnout
Aggregate rateable value of each hereditament in respect of which a person voted in the ballot:	19,048,650
Total number of votes cast in favour of the Stockport Business Improvement District	125 (64.7%)
Aggregate rateable value of each hereditament in respect of which a person voting in the ballot has voted in favour of the renewal of Stockport Business Improvement District	10,527,500 (55.2%)

2.2 Following the successful ballot a BID Company was established, Totally Stockport. A not-for-profit company limited by guarantee, Totally Stockport is independent of the Council, has a Board of Directors and is responsible for implementing the BID proposal and Business Plan. The BID went live on the 1st April 2017 with all businesses within the BID boundary with a Rateable Value equal to or greater than £10,000 liable for the BID levy (1.25%). The annual income from BID levy payments is on average £480,000.

2.3 Over the last 4 years the BID has been responsible for delivering a number of initiatives to help improve Stockport town centre and to support businesses. Initiatives that have helped drive footfall into the

AGENDA ITEM

town centre, promote the town centre as a location to visit and invest in, and support local businesses have been vast and include:

- Customer Service Awards
- Events e.g. Stockport's Big Day Out
- Totally Stockport magazine – quarterly newspaper style publication Storenet radio – subsidised cost
- Set up Stockport Business Watch
- Free town centre wifi and Geosense to monitor footfall
- Business Surveys
- Funding to support 3rd party events e.g. Foodie Friday, Makers Market,
- Stockport Food & Drink Festival
- Christmas animation & attractions
- Stockport's Giant Leap Frog Art Trail

3.0 STOCKPORT BUSINESS IMPROVEMENT DISTRICT – POST APRIL 2022

3.1 The maximum period that a BID levy can be charged is 5 years. Once the term is completed the BID will automatically cease. If the BID Company wants to continue its activities it must hold a new ballot. Totally Stockport have confirmed they want to host a second ballot in October 2021.

3.2 As stated in the BID Regulations (England) 2014, Totally Stockport are responsible for formally notifying the Secretary of State for Housing, Communities and Local Government their intention to hold a ballot with a copy sent to the Local Authority as the statutory organisation responsible for delivering the Ballot. Formal notification must be sent 84 days before formal request to the Local Authority to proceed with the Ballot.

Business Plan 2022-2027

3.3 Totally Stockport has produced a proposed new 5 year Business Plan which reflects business priorities, as revealed by recent surveys, together with feedback and intelligence from businesses on successful initiatives and activities (included as Appendix 1). An early draft of the Business Plan was shared with officers and members of Town Centre Task Force at its April 2021 meeting for feedback. The draft Business Plan is now being shared with town centre businesses for their feedback as part of a wider consultation exercise with the final business Plan ready by the end of August 2021 ahead of the ballot in October 2021.

New BID Boundary (Redline boundary)

3.4 The BID boundary in which all businesses are liable to pay the levy should the ballot be successful is influenced by a range of factors including rateable values, the location of relevant hereditaments and the potential impact these have on both the outcome of the BID ballot and the potential levy income. It is important the proposed BID area achieves the right balance across these factors. Following a review of the current

boundary slight changes are proposed with an extension slightly to include properties to the North East (Tesco & Porsche at Portwood), to the South Eest to include properties on part of Newbridge Lane and on Churchgate and to the South to include Greek Street. The proposed new boundary is included in Appendix 2.

New BID Budget 2022-2027

3.5 The BID Levy payments for the previous 5 years were based on the 2010 Rating List, from April 2022 they will be based on the 2017 List which results in an overall reduction in Rateable Values. The BID multiplier proposed remains 1.25% of rateable value and the RV threshold when the levy is due continues to be set at £10,000 or more. Based on the new boundary the mandatory levy would generate an annual income of £430,000 with voluntary property owner contributions and income from the BID's activities taking the annual budget to an average of £500,000 per annum, similar annual budget for the previous 5 years. This will mean that over the 5 year lifespan of the BID approximately £2.5m will be invested into Stockport Town Centre between 2022 and 2027.

3.6 Where a ratepayer receives mandatory charitable relief from business rates, they will continue to receive 80% relief from the BID levy with empty properties, excluding listed buildings, liable for the BID levy via the property owner with no void period or any empty allowance. Mobile phone equipment, ATMs (cash machines) and advertising hoardings will continue to be excluded from the paying the levy.

Ballot October 2021 - Arrangements

3.7 As was the case with the BID Ballot in 2016 the Council is contracting out the running of the BID Ballot to UK Engage a Stockport based Election, Ballot & Poll specialist, the costs of which are borne by Totally Stockport. The ballot period will run from the 24th September 2021 to the 21st October 2021 (minimum of 28 days required). Between these dates the Council, along with all eligible businesses within the BID boundary is able to cast their vote.

3.8 A successful ballot is one that has a simple yes majority both in votes cast and in rateable value (RV) of votes cast. Each business entitled to vote in the ballot is allowed one vote in respect of each property occupied or (if unoccupied) owned by them in the geographical area of the BID boundary. Once the BID is in operation the levy is charged on all businesses within the BID area regardless of whether or how that business voted in the ballot.

Role of Stockport Council

3.9 Whilst the BID is independent of the Council the BID Regulations (England) 2014 do place a number of legal responsibilities onto the Local Authority. These include:

- Ensuring the final BID proposals include all of the details required by the BID Regulations prior to proceeding to ballot.
- The provision of Rating List data
- Providing details on existing baseline services
- Ensuring the ballot is operated in line with the BID Regulations.
- Ensuring the creation of an accurate voter list in readiness for a ballot.
- Notification of the ballot outcome
- The management, collection and enforcement of BID levy charges.
- Pursuing termination procedures in the event that the BID has insufficient funds and/or is unable to deliver the services.

3.10 Under the Regulations the Council has a right to veto the BID proposals, the prescribed circumstances under which a veto can apply are that the Council is of the opinion the BID arrangements are likely:

(a) to conflict to a material extent with any policy formally adopted by and contained in a document published by the authority (whether or not the authority is under a statutory duty to prepare such document); or

(b) to be a significantly disproportionate financial burden on any person or class of persons (as compared to the other non-domestic ratepayers in the geographical area of the BID) and —
- that burden is caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and
- that burden is inequitable

3.11 The Council must confirm that it does not wish to "veto" the BID proposal within 14 days after the ballot has taken place in October 2021

<u>Baseline and Operating Agreements</u>

3.12 The Baseline Agreement sets out the existing level of service provision from the Council, Police and other public agencies; to ensure that the BID proposals add added value by showing what level of service provision local stakeholders are already receiving from the Council and what additional service provision they will receive through the BID.

3.13 The Operating Agreement:
- establishes the procedure for setting the BID Levy,
- confirms the basis upon which the Council or its agents will be responsible for collecting the BID Levy,
- sets out the enforcement mechanisms available for collection of the BID Levy,
- sets out the procedures for accounting and transference of the BID Levy,

- provides for the monitoring and review of the collection of the BID Levy,
- confirms the manner in which the Council's expenses incurred in collecting the BID Levy shall be paid.

3.14 The Baseline and Operating Agreements are likely to remain broadly the same, a more detailed review will take place should the ballot be successful in October 2021 will both being are signed off ahead of the new BID term commencing in April 2022.

4.0 TIMESCALES

4.1 A detailed timetable has been produced by Totally Stockport to ensure there is sufficient time set aside to produce and consult widely on all the necessary documents that are required in order to successfully request a ballot.

4.2 Key dates are as follows:

ACTION	**DATE**
Totally Stockport/BID publish draft Business Plan and boundary for consultation with existing and potential new levy payers.	9th June 2021
Last Date for Totally Stockport/BID to send Formal Notification to Secretary of State with copy to Local Authority to confirm their intention for a ballot and the date	14th June 2021
Deadline for Final Draft BID Proposal including Business Plan	25th July 2021
Deadline for BID Proposal and Letter of Request to Local Authority	7th September 2021
Issue of Notice of Ballot and Final Date For Publishing Business Plan (42 days before Ballot date)	8th September 2021
First Day of Ballot Period (minimum 28 days)	24th September 2021
Ballot Day - voting closes 5pm	21st October 20210
Count and Declaration	22nd October 2021
End of Veto (14 working days from Ballot Date)	10th November 2021
End of Challenge Period (28 days from Ballot Declaration)	19th November 2021

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 The Council is liable for business rates on a number of hereditaments within the proposed BID boundary, vacant properties are also subject to the levy. The Council is the single largest levy payer and should the ballot be successful the cost of this obligation is currently estimated at approximately £37,000 per annum over the life of the BID up to a

maximum of 5 years. The budgeted BID charge in 2021/22 (the last year of the current arrangement) is £35,000.

5.2 The Council's MTFP does not include a BID charge for 2022/23 and future years, as the continuation of the BID is subject to a successful ballot. If the ballot is successful the BID will continue for the 5 year period 2022/23 to 2026/27 and increase the Council's forecast Non Cash-Limit expenditure budget by £37,000 in each year; a total expenditure increase of £185,000 over the 5 year period.

5.3 The BID will be liable for paying all the costs for contracting with UK Engage to deliver the BID ballot in October 2021.

5.4 Should the BID ballot be successful the Council has a number of financial commitments in respect of the BID. These are as follows:

- BID Levy: Collect the BID levy from all the hereditaments within the BID boundary. The number of properties is likely to total approximately 470.
- Collection costs: Under BID legislation the Council is required to collect and recover the levy. The regulations allow for a reasonable charge to be made by local authorities for collecting the BID levy. This is set out in the Operating Agreement and is currently £25,000. If the Ballot is successful the fee will be reviewed as part of the wider review of the Baseline and Operating Agreements.
- The Council is liable to pass on to the BID Company the value of the funds collected less the value of the levy collection costs.

6. LEGAL CONSIDERATIONS

6.1 The Council is responsible for ensuring the BID Ballot is carried out in accordance with the BID Regulations (England) 2014. As stated in para 3.7 the Council will contract with UK Engage to deliver the Ballot.

6.2 Should the BID ballot be successful the Baseline and Operating Agreements will be reviewed to ensure accuracy and to reflect any changes in arrangements based on feedback on how the previous 5 years have operated.

7. HUMAN RESOURCES IMPACT

7.1 No impact on human resource resources.

8. EQUALITIES IMPACT

8.1 All businesses within the proposed BID boundary with an RV of £10,000 or more will be consulted on the draft Business Plan and BID boundary including key partners such as Disability Stockport.

8.2 The events and activities that Totally Stockport/BID plan to deliver are varied, inclusive and aimed at attracting a diverse audience. All events have been free so all members of the community can attend and benefit from the activities on offer.

9. ENVIRONMENTAL IMPACT

9.1 One of the key priorities of the draft new Business Plan 2022-2027 is to further enhance the sustainability and environmental aesthetics of the town centre. The BID will therefore support the installation of more EV charging points in the town centre, promote greater use of public transport and champion a cleaner and greener Stockport. The BID will encourage sustainable businesses that support sustainable practices, will identify areas to transform with colour and will facilitate and encourage green projects such as town centre roof gardens

10. CONCLUSIONS AND RECOMMENDATIONS

10.1 Whilst the BID is independent of the Council officers working closely with the BID Team and work collaboratively on a number of initiatives and events. During the last 5 years the BID has successfully contributed to increasing footfall and dwell time in the town centre, along with attracting people from a wider geographical area and delivering business growth for many town centre businesses. The BID understands that the principal role of town centres across the UK is changing and should a second ballot be successful they are committed to building upon the successes they've achieved so far to ensure a rejuvenated Stockport town centre better equipped to thrive in a more digitised economy.

10.2 The Committee is requested to provide feedback on the draft BID Business Plan 2022-2027.

10.3 The Committee is requested to comment on the recommendations to Cabinet:

a) That delegated authority is given to the Cabinet Member for Economy & Regeneration to:

i. On the basis of the draft Business Plan, the Council would not wish to veto the BID proposals. Note: the Council is not required to formally agree any BID proposal, rather it can only veto BID proposals if they are contrary to formally adopted and published Council policy.

ii. That, subject to agreeing not to veto the final proposals, the Chief Executive as Returning Officer and "Ballot Holder" agrees to hold a ballot for the proposed Stockport Town Centre BID, upon receipt of a formal request to do so by Stockport BID.

iii. Casts the Council's vote in the BID Ballot should it take place.

b) If the Ballot takes place and is successful, agree to:

i. Allocate annual funds to cover the Council's obligations arising from the BID levy over the life of the BID (5 years).

ii. Agree to annually pass on to the BID Company the total value of the funds collected through the levy.

BACKGROUND PAPERS

Not Applicable