

Decision Report - Executive Decision

Forward Plan Reference: n/a non-key

Decision Date – 19.04.23

Key Decision – No



Minehead Business Improvement District (BID) Ballot - Appointment of the Somerset Council Voter

Executive Member(s): Cllr Bill Revans – Leader of the Council

Local Member(s) and Division: Cllr Andrew Hadley, Minehead; Cllr Mandy Chilcott, Minehead

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Summary / Background

1. In 2018 Minehead established a Business Improvement District (BID) as a town centre initiative. BIDs involve a supplementary levy on all premises paying business rates within a defined geography as a means of generating an additional, locally managed, revenue fund to finance initiatives that support the economic vitality and retail health of town centres.

Subject to a majority vote BIDs run for a five-year period and the additional funds levied are overseen by a local BID governance body and deployed against an annually reviewed business plan. Minehead is coming to the end of its current BID period and the local board wishes to renew for a further five years. This requires a fresh ballot mandate. The postal ballot will be held for a 28-day period ending at 5pm on Thursday 8th June 2023 at 5pm.

2. Somerset Council has four properties liable for business rates in the BID geography and on this basis will be part of the electorate. The Council vote needs to be assigned to an individual.

Recommendations

3. The Leader of Somerset Council:
 - a. Approves the principle of the Council nominating a representative to take part in the Minehead Business Improvement District ballot.
 - b. Agrees as Leader of Somerset Council to hold voting responsibility on behalf of the authority in the Minehead Business Improvement District ballot.

Reasons for recommendations

4. As an owner of property within the BID geography, under the BID legislation, Somerset Council has a right to take part in the BID ballot.
5. A straightforward mechanism is required for the Council about its vote(s).

Other options considered

6. The Leader making the decision is a fitting option as this option gives reach across multiple portfolios.

Assigning an executive portfolio holder with the authority to exercise the Council vote within the ballot was considered. However, given that the matter spans across several portfolios and includes financial considerations for the Council the more fitting option is for the Leader to make the decision.

Links to Council Vision, Business Plan and Medium-Term Financial Strategy

7. The Minehead BID Board works to deliver economic growth and prosperity. This aligns with the aspirations set out in the County Plan and Somerset Recovery and Growth Plan.
8. Over the previous five-year duration of Minehead BID, the BID Board invited rotational local authority representation to its Board as a mechanism to ensure the BID remained engaged with representative local authorities. This was shared between Somerset West and Taunton Council, Somerset County Council and Minehead Town Council. In the case of a 'Yes' result in the re-ballot, this arrangement is likely to continue with Somerset Council and Minehead Town Council.

In preparation for the re-ballot, Minehead BID has consulted with levy payers so that their broad wishes shape the proposals in the BID Business Plan BID proposals.

9. Somerset Council will check the business plan to confirm that the Plan does not contravene local Council policy.

All levy-paying businesses in the geography will have the opportunity to take part in the democratic process of the ballot. Those who agree/disagree with the content of the business plan and mechanism of funding it will have the opportunity to express how they feel through the way in which their vote is cast in the ballot.

Financial and Risk Implications

10. There are no financial implications arising from the decision in this report, which is purely about the voting responsibility.

The current financial implications of the BID to the Council are costs borne in existing budgets. In the previous five-year BID term, the combined costs for the previous District and County Councils amounted to £2,064 per annum.

In the proposed renewed BID term, the costs to Somerset Council are expected to decrease to £1,178.25 per annum for the five-year term.

11. There are no key risks to the Council associated with the recommendations of this report.

Minehead BID has a five-year track record of delivery. Should the result of ballot be to continue for a further five-year period, this may provide an opportunity for Somerset Council to engage with a collective of the town centre business community in Minehead.

Legal Implications

12. No Legal implications.
13. There will be no commissioning, procurement or award of a contract arising from this decision.

HR Implications

14. No HR implications

Other Implications:

Equalities Implications

15. There are no direct equalities implications arising from the decisions involved.

Community Safety Implications

16. There are no community or health and safety implications arising from this decision.

Health and Wellbeing Implications

17. There are no Health and Wellbeing implications.

Social Value

18. None

Scrutiny comments / recommendations:

19. The proposed decision has not been considered by a Scrutiny Committee.

Background

20. Business Improvement Districts (or BIDs) were first introduced in Canada in the 1970s, were subsequently adopted by the USA, and have since rolled out across countries in Europe, as well as Japan and Australia. The Local Government Act 2003 and subsequent Statutory Instrument in 2004 enable the development of the first BID schemes in England in 2005. There are now over 240 such schemes in existence in the UK.
21. BID is a formal mechanism to finance the delivery of an agreed business plan. Typically, as in this case, a pre-existing public/private sector partnership is the vehicle for the development of a BID. Extensive consultation with local businesses within a prescribed area is undertaken to identify issues, priorities and projects, the results of which are used to inform a BID business plan setting out projects and services that will address agreed priorities
22. Occupants of commercial property (businesses and other organisations including local authorities) in that area are then invited through a formal anonymous ballot to vote on the business plan. If the majority turnout, (51%) by number and rateable value vote in favour, all businesses in the proposed BID area will pay an annual levy that is ring-fenced for the delivery of the BID Business Plan. The vote is conducted via postal ballot sent to all eligible business ratepayers in the BID area. All businesses that have a vote will be expected to pay the levy if the vote is successful, this is regardless of how they voted. This charge becomes a statutory charge up the premises for the lifetime of the BID (a maximum of 5 years).
23. BIDs are designed to reflect the needs of businesses in the local area, generally focussing on:
 - Improving trading conditions
 - Driving increased footfall
 - Increasing spend
 - Raising the profile of a town
 - Increasing safety and security
 - Improving the look and feel of the area
 - Increasing the competitiveness of the local area
 - Reducing operating costs for businesses in the BID area
24. The Minehead BID Company and Board has now been in place since 2018 and has managed the BID Levy with responsibility for delivering projects and activities to improve Minehead's economic and social outcomes.
25. Whilst the legislation permits BID organisations to apply a levy on rateable values up to 5% - Minehead BID's levy for its first term (2018 to 2023) was set at 1.5%,

meaning that all businesses within the BID area with a rateable value over £3,000 were liable to pay the levy

26. For the proposals for its second term (2023 to 2028), Minehead's BID levy will again be set at 1.5%, this time all businesses within the BID area with a rateable value over £5,001 will be liable to pay the levy if the ballot is successful.
27. The BID levy for the second term is projected to raise circa £100,000 per year for the BID period, equal to circa £500,000 over the five-year period. Proposals would see this amount re-invested in the town.
28. Somerset Council has four properties liable for business rates in the BID geography and on this basis will be part of the BID electorate and potentially liable to pay the BID levy on the properties concerned.
29. A straightforward mechanism is required for Somerset Council's vote.
30. The Leader making the decision is a fitting option as this option gives reach across multiple portfolios.
31. The decision in this paper is about who holds the vote and not about how it is used. There will be engagement with local members, portfolio-holders and others to inform on its use.

Background Papers

32. Further detail about Minehead BID, the forthcoming BID ballot and the Business Plan which forms the proposals for the ballot on the next five-year term can be viewed at <https://www.mineheadbid.co.uk>

Appendices

- None