

Leicester
City Council

WARDS AFFECTED: Castle

Cabinet

30th October 2006

Business Improvement District Proposals

Report of the Corporate Director, Regeneration and Culture.

1 Purpose of Report

- 1.1 To enable Cabinet to make a decision on whether City Council should formally support Leicester BIDs Ltd proposals for a Business Improvement District (BID) in Leicester's city centre.

2 Summary

- 2.1 Leicester BIDs Ltd have produced their business plan for the Leicester City Centre BID. They propose a 1% levy on the business rate for most businesses in the city centre (serviced shopping centres, such as the Shires and the Haymarket will only be liable for a 0.8% levy). The levy will raise approximately £450,000 per annum. This will be spent on the delivery of services and improvements to the city centre. Leicester BIDs Ltd predicts that another £600,000 per annum will be matched to the money raised through the levy.
- 2.2 Leicester City Council is a business ratepayer, as such; it will be subject to the 1% levy on business rates proposed. If the BID is successful the levy will apply to all businesses in the BID area. As a business rate payer City Council is entitled to a vote for all 16 properties that it pays business rates on in the city centre. This vote needs to be registered by 5.00pm on the 31st of October.
- 2.3 Leicester City Council will be contributing £22,167 per annum through the BID levy, approx 5% of the levy raised. The amount of Levy raised per year will increase in accordance with changes in rateable value and inflation.

3 Recommendations

- 3.1 Members are recommended to:
1. Consider the proposals of Leicester BIDs Ltd for a BID in Leicester's city centre and to decide how the vote is to be returned to the ballot holder.

4 Financial & Legal Implications

4.1 Financial Implications

- 4.1.1 The BID levy for LCC calculated at 1% of rateable value (RV) will result in a cost of £22,167 (see paragraph 4.2) based on 2006/7 RV values, to be found within the budgets of the user departments in 2007/8 or via Budget Strategy. This commitment will be for 5 years commencing 2007/8; the annual amount will be dependent on the RV of the property.
- 4.1.2 The BID levy will raise £450k and with anticipated match funding of £600k, there will be over £1m generated to be spent on delivery of services and improvements to the city centre.

(Martin Judson – Head of Finance R&C – 11th October 2006)

4.2 Legal Implications

- 4.2.1 In view of the fact that this ballot is due to take place on the day following the meeting of Cabinet, it is recommended that Cabinet resolves to remove calling-in rights in respect of this matter.
- 4.2.2 In the Regulations applying to this ballot, there is a requirement that we maintain the secrecy of the voting. In addition, I recommend that any subsequent deliberation by the Council, as Local Authority, concerning a possible veto of the result of the BID ballot, is taken at a different level to that at which the Council, as non-domestic ratepayer, deliberates as to whether or not to vote in favour of the BID Proposal.
- 4.2.3 For these reasons, it is recommended that Cabinet resolves to delegate to a named officer of the Council the role of casting the Council's vote in this ballot, without expressing a view as to how that vote should be cast.
- 4.2.4 Cabinet or full-Council will then have the opportunity to consider any resolution to veto the result of the ballot without any suggestion of pre-determination.

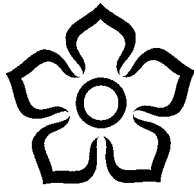
(Gregory Surtees – Senior Solicitor, Legal Services – 18th October 2006)

5 Report Author

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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)



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Report of the Corporate Director, Regeneration and Culture.

1. Background

- 1.1 Leicester Bids Limited have produced their business plan for the Leicester city centre BID. The proposals will be sent to every business ratepayer in the BID area on the 3rd of October (632 businesses).
- 1.2 For a BID vote to be successful there must be a majority of those voting in favour of the proposal, both in terms of the numbers voting and also the rateable value represented by those voting.
- 1.3 The City Council pays business rates on 16 properties in the proposed BID area, therefore; it will be entitled to this number of votes.

2. Business Improvement District Proposals

- 2.1 The key points of Leicester BIDs Ltd proposals are as stated in their business plan:
 - A safer city centre
 - A cleaner city centre
 - A physically improved and better maintained city centre
 - Clear accountability for public service delivery through co-ordinated management and better organisation
 - A better promoted city centre
- 2.2 To achieve their objectives Leicester BIDs will raise approximately £450,000 through a 1% levy on the rateable value of businesses (the only exception to this being businesses in the Shires and the Haymarket Shopping Centres who will pay 0.8%). In addition, Leicester BIDs is predicting that it will raise an additional £600,000 per year through money allocated from the LSEP, LCC, the Shires, the Haymarket Centre and the Leicester Constabulary (the bulk of this is made up of a £500,000 per annum capital grant allocation, to be applied for from the LSEP).
- 2.3 Leicester City Council is co-ordinating the ballot through Electoral Services. The notification of the BID Ballot was received by businesses on the 19th of September 2006. Ballot papers, and a BIDs statement will be going out to all business rate payers on the 3rd of October 2006. The BID statement is an objective description of the BID and the BID proposals. Business ratepayers will have up to the 31st of October to register their vote. The vote will be counted on the 1st of November and the result will be announced on the 6th of November.

- 2.4 The BID and the proposals contained in the BID business plan are led by businesses in Leicester. Leicester City Council's role has been to facilitate these businesses to bring together their proposals so that they can be put to a vote of the business community. The business community in the proposed BID area will then decide on whether or not they wish to accept the proposals for a BID in their area.
- 2.5 More information about the BID is contained in the business plan and the BID statement (appendix one). A download of the business plan can be obtained from www.leicesterbid.co.uk.

3. Advice on the City Council's Right to Veto

- 3.1 The City Council has the right to veto the proposals. The circumstances in which it can exercise its veto are as laid down in the BID (England) Regulations 2004. The City Council can exercise its veto if it is of the opinion that 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,
 - b) To be a significantly disproportionate financial burden on any person or class of persons (as compared to other business rate payers in the BID area) and -
 - (i) that burden has been caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and
 - (ii) that burden is inequitable.
- 3.2 Under the BID regulations the City Council would have to consider the following matters before it exercised its right:
- The level of support for the proposals (as evidenced by the result of the BID ballot)
 - The extent and nature of any conflict with the established policies of the City Council
 - The distribution of the financial burden and the structure of the BID levy
 - The extent to which the BID proposer discussed the BID proposals with the City Council
 - The costs of the developing the BID proposals and "canvassing" in relation to those proposals
- 3.3 The veto has to be exercised 14 days from the day of the ballot (the 31st of October). The veto can be appealed against. A person has 28 days to appeal after the veto notice has been given.

4. Effects of the 1% Levy by Departments.

4.1 Leicester City Council will be contributing £22,167 through the BID levy. This represents approx 5% of the levy raised.

4.2 Breakdown by Property

Property	Department	RV in £	1% Levy in £
Central Lending Library	R & C	59,000	590
Alliance House	Resources –property services	12,500	125
Housing Advice Options Centre	Housing	22,000	220
First Floor 6a Bishop Street	Housing	13,500	135
Reference Library	R&C	55,500	555
Children’s Information Centre	C & YPS	12,250	122.5
11 Friar Lane	Resources – Oper. Property	47,250	472.5
City Gallery	R&C	38,500	385
3 rd Floor and Part 2 nd floor-York House	R&C	18,750	187.5
Corn Exchange	Resources – property services	20,000	200
Indoor Market	R&C	470,000	4700
Market Centre Office	R&C	13,500	135
Energy Advice Centre	Housing	32,500	325
Town Hall	Resources –property services	142,000	1420
Phoenix House	Resources –property services	73,000	730
New Walk Centre	Resources –property services	990,000	9,900
Vehicle Spaces	Resources –property services	10,500	105
Haymarket Centre Car park	R&C	186,000	1860
Total		2,216,750	22,167.5

4.3 The BID levy will be an ongoing financial commitment to the City Council of approx £22,167 per annum for the next five years (the lifetime of the BID) commencing from April 2007. The amount of levy raised will increase in accordance with changes in rateable value and inflation. Each City Council department will bear its share of the levy. In the first year this will be:

Department	BID Levy in £s
Regeneration and Culture	8,412.50
Housing	680.00
Resources	12,952.50
Children and Young Persons Service	122.50
Total	22,167.50

5. Conclusion and Recommendations

- 5.1 Members are recommended to consider the proposals of Leicester BIDs Ltd for a BID in Leicester's city centre and to decide how the vote is to be returned to the ballot holder.

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities	Yes	The BID aims to make the city centre a safer place and therefore more accessible to a wider range of people.
Policy	Yes	The BID supports Leicester's city centre strategy and the street and spaces initiative.
Sustainable and Environmental	Yes	The Business Improvement District has an environmental focus, it proposes a cleaner, safer city centre. The initiative is self-supporting.
Crime and Disorder	Yes	The BID will bring resources to creating a safer city centre.
Human Rights Act	No	none
Older People on Low Income	No	none

6.2 Risk Assessment Matrix

	Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
1	Business community votes No	M	H	City Council would need to explore other alternatives to manage city centre issues. Could effect future BID proposals for Leicester
2	Objection from business community. LCC needs to exercise its right to veto the BID proposals.	L	H	Prescribed circumstances are stated in the relevant BID regulations - City Council would need to consider these with reference to regulations.
3	Business Community votes yes	M	L	City Council will need to take account of increase in business rate levy in budgetary considerations
4	Less than 20% vote in the ballot, and the vote is a no vote	L	H	LCC can claim back the costs of arranging and holding the ballot as a civil debt

L - Low
M - Medium
H - High

L - Low
M - Medium
H - High

7. Background Papers – Local Government Act 1972

- The Business Improvement Districts (England) Regulations 2004
- The Leicester BIDs proposal document
- BIDs statement

9. Consultations

Consultee	Date Consulted
Alison Scott – Electoral Services	10/10/2006
Vic Meredith – Property Services	10/10/2006
Keith Maplesden - RAD	10/10/2006
Martin Judson – Head of Finance (R&C)	11/10/2006
Joanna Bunting – Legal Services	11/10/2006