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**Report to:** Cabinet

**Date of Meeting:** 5 December 2013

**Subject:** Southport Business Improvement District

**Report of:** Director of Built Environment **Wards Affected:** Cambridge and Dukes

**Is this a Key Decision?** Yes **Is it included in the Forward Plan?** Yes

**Exempt/Confidential:** No

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### **Purpose/Summary**

To approve the Southport Business Improvement District Manifesto and to approve the next steps by the council for taking the BID forward.

### **Recommendations**

- (i) Approve the proposals for the Southport Business Improvement District (BID) as set out in the Manifesto (Year 1)
- (ii) Agree to voting yes in the proposed ballot to create a BID and authorise the Director of Built Environment to submit a positive vote on behalf of the Council
- (iii) Provide delegated authority to The Chief Executive, in consultation with the Leader of the Council and section 151 officer, to sign the BID Baseline Agreement in principle on behalf of the council
- (iv) That the Head of Corporate Legal Services be authorised to complete the necessary formal agreements required for the collection of the BID Levy if a Yes vote is achieved
- (v) As the relevant ballot holder, authorise the Electoral Reform Services to hold the BID ballot.

## How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		/	
2	Jobs and Prosperity	/		
3	Environmental Sustainability		/	
4	Health and Well-Being		/	
5	Children and Young People		/	
6	Creating Safe Communities		/	
7	Creating Inclusive Communities		/	
8	Improving the Quality of Council Services and Strengthening Local Democracy	/		

### Reasons for the Recommendation(s):

To allow the BID ballot to commence and then thereafter for the BID company to be established.

### What will it cost and how will it be financed?

It is estimated that the BID Company would raise in the region of £488,000 per annum over the next 5 years for key areas of investment in the town (in accordance with the BID manifesto). This would represent nearly £2.5million of additional investment within the BID area over this period.

The Council has rateable property within the BID area. Based on the rateable value of these properties, it is estimated that the Council's contribution towards the BID would be in the region of £14,000.

The full administrative costs to set-up the BID (estimated to be £59,000) are being funded from Southport's allocation from the High Street Innovation Fund (£49,000) and additional money from the Portas application process (£10,000). If a Yes vote is achieved the levy collection costs will be rechargeable to the BID Company.

The Council presently collects 98.1% of business rates and it is anticipated that similar collection levels are achievable for the BID levy. The Council will pass on the revenue it collects using reasonable endeavours to collect any shortfall. Depending on collection levels, the budget available to the BID Company may vary slightly from year to year.

In the event of there being a no vote, the set up costs will be charged to the High Street Innovation Fund (HSIF) as above. There would be no direct cost implications

for the Council other than the opportunity cost associated with having to use the HSIF for an aborted scheme.

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b> None	
<b>Human Resources</b> None	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact on Service Delivery:**

No direct impact on service delivery.

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance and ICT(FD 2637) has been consulted and comments on this report have been incorporated into the report

The Head of Corporate Legal Services has been consulted and has no comments on this report (LD 1942)

**Are there any other options available for consideration?**

None of equivalent value

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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**Background Papers:**

Appendix 1 Southport (BID Manifesto) and Appendix 2 (Baseline Agreement) to this report can be accessed via this link to the Council’s website:  
<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13529&path=13374>

## **1.0 Background**

- 1.1 A Business Improvement District (BID) is a defined area where businesses get together to plan how to improve their trading environment, identifying additional projects and services that will improve the town centre. Businesses within the BID area agree the level of funds which they will contribute to make it happen and they have total control of the money and how it is spent
- 1.2 Businesses pay an agreed levy based on the rateable value of their premises. In Southport, this is proposed at 1.5%. The funding is collected by the council and handed to a new business led Southport BID Company to spend as the businesses have requested. Businesses within a successful BID area will pay this levy so that everyone who benefits will have paid towards it; it is therefore fair and transparent.
- 1.3 The process by which a prospective BID seeks to become formally established is set out below in accordance with the 2004 BID Regulations:
- Formal notification to the local authority and Secretary of State
  - Request to local authority to hold ballot, which must be accompanied by:
    - A copy of the BID proposals
    - The proposed business plan with estimates of cash flow, revenue and expenditure, the predicted budget and the contingency margin included in the budget
- 1.4 In January 2013 Cabinet approved further BID development work for Southport Town Centre/Seafront and also agreed in principle support for the development of the Southport BID. Cabinet also invited the Southport BID development group to submit their manifesto in due course.
- 1.5 The Southport BID Development group have now submitted their Manifesto, this report summarises the main proposals while the main document is contained in Appendix 1

## **2.0 Manifesto**

- 2.1 The BID manifesto sets out a rateable value of 1.5%, this will be for Accommodation, Attractions, Hospitality and Retail that fall within the BID area as identified in the manifesto. Any businesses that fall out of the defined business uses will not be liable to pay the levy, however the BID will have mechanisms in place to allow voluntary contributions. It should also be noted businesses with a rateable value under £2,000 will not be liable while Charities will not be exempt.
- 2.2 The BID is projected to raise a total of £2.4 million over 5 years; this includes the levy, voluntary contributions along with other revenue streams.

2.2 The Southport BID Manifesto contains a number of initiatives grouped together in two main priorities, Promoting and Improving, some of the key initiatives include;

**“Enhancing our events programme** - We’ll provide additional marketing support for the events that already take place in our town to help ensure that they reach as wide an audience as possible. We’ll put together our own programme of events to bring more vibrancy and sparkle to our town and to add more value to what’s already going on. We’ll include more relevant street markets and festivals and do more to promote and support our arts and cultural heritage”.

**“Supporting our Independents** - We’ll put more resource into developing coordinated marketing campaigns to promote our town as a shopping and conference destination and as an excellent place to stay.

We’ll develop a specific package of measures to promote our unique independent retailers including, for example, “Shop Local” and “Independent Day” campaigns”

**“Bringing our town “Alive after 5** - We’ll do more to promote our early evening economy by developing campaigns and incentives to encourage more people to stay later. We’ll focus particularly on encouraging families to come back into our town”

**“Re-invigorating Christmas** - We’ll invest in new festive lights and decorations and support this with coordinated and incentivised promotional campaigns and events to encourage more visitors and shoppers to our town at this peak period”

**“Making our town look and feel better** - We’ll make a start by improving our gateway streets, roundabouts and open spaces to make our town look better, more welcoming, and more appealing. We’ll invest in pavement washing across the BID area with a specific emphasis on removing chewing gum and other stains from areas of high footfall. Additional sweeping, weeding, graffiti removal, and litter collection will support this”

**“A team of BID Ambassadors** - We will support our existing coach hosts who are very often the first point of contact for our visitors. We’ll add value to the great work they already do by engaging BID- branded Ambassadors to provide an additional resource to support our activity”

**“Making our visitors and shoppers feel safe and secure** - Deterring shop theft will help protect your profits and make sure your employees and customers feel safe. We’ll re-launch the Shop Watch and Pub Watch radio schemes using the latest digital technology, link them to the CCTV network, and back them up with proper codes of practice for sharing offender pictures, email alerts, and radio protocol”

**“Attracting more investment** - Empty properties are a blight on our town centre and more needs to be done to help bring them back into use. We'll work with property owners, landlords, and Sefton Council to develop and market an “Invest in Southport” campaign that promotes and encourages investment opportunities in our town. We'll encourage landlords to develop creative incentives to encourage businesses to move into these empty properties”

### 3.0 The Councils Vote

- 3.1 Sefton Council as a business rate payer within the defined BID area has a number of votes in the BID Ballot. The Southport BID development group is seeking approval from Sefton Council for a “Yes” vote. The council is recommended to vote “yes” in the ballot.
- 3.2 Sefton has 23 separate hereditaments within the defined BID area with a total rateable value of £929,200. The levy liability is £13,937.98 at 1.5%. This also allows Sefton Council to have 23 individual votes, increasing the importance of a “yes” vote to deliver an overall BID success. The table below details the hereditaments and the levy for each one.

This is likely to change up to the point of the vote; this could be due to the Council letting out the units that would subsequently transfer the business rates liability to the new tenants. However the table gives an indicative scale of commitment required.

<b>Property</b>	<b>Rateable Value</b>	<b>Levy@1.5%</b>
Tic Kiosk	£5,300	£79.50
Public Conveniences, Market Street,	£5,300	£79.50
Public Conveniences, Hill Street	£3,900	£58.50
Public Conveniences, Eastbank Street	£3,900	£58.50
Environmental Services, Tulketh Street	£3,100	£46.50
Car park, Esplanade	£2,750	£41.25
Municipal Golf Course	£2,275	£34.12
Stall 36 Southport Market Hall	£2,125	£31.87
Stall 38 Southport Market Hall	£2,125	£31.87
Stall 41 Southport Market Hall	£2,125	£31.87
Dunes Leisure Centre	£610,000	£9,150
Corner Esplanade, Marine Drive	£40,750	£611.25
Atkinson	£35,000	£525
9-11 Eastbank Street	£34,750	£521.25

Promenade Car Park	£34,500	£517.50
77-91 Tulketh Street	£33,500	£502.50
1 St Andrews Place	£12,750	£191.25
Southport Pier	£12,500	£187.50
3 Eastbank Street	£10,250	£153.75
Adj, Marine Lake, Marine Drive	£9,900	£148.50
7-9 Cambridge Arcade	£8,700	£130.50
55 Tulketh Street Car Park	£50,500	£757.50
Public Conveniences Eastbank Street/Lord Street	£3,200	£48.00
<b>Total</b>	<b>£929,200</b>	<b>£13,937.98</b>

#### 4.0 Formal Agreements

- 4.1 Formal agreements between the Council and Southport BID have been drawn up to cover services provided by the Council within the BID Area. A baseline agreement (Appendix 2) has been drawn up by relevant Heads of Services in partnership with the BID Development Board. This covers services ranging from cleansing to tourism.
- 4.2 The baseline agreement will demonstrate what additional services the BID will deliver to its members while also acting as a tool for the BID Company to monitor and work with Sefton Council to deliver improved existing services.
- 4.3 Due to the BID term being 5 years there will be flexibility for the Baseline Agreement to be amended every financial year due to the realisation that the level of services within the BID area may change.
- 4.4 Cabinet are recommended to give delegated authority to Chief Executive, in consultation with the Leader of the Council and section 151 officer, to sign the BID Baseline Agreement in principle on behalf of the council
- 4.5 The Council via Arvato will collect the levy on behalf of the BID company, once collected the monies will be passed on to the BID. New software and licences are need to collect the BID levy, Arvato have calculated this to cost £15,000 per annum. The BID company will cover this cost in full.
- 4.6 An operating agreement will need to be agreed between the BID Company and Sefton Council for the collection of the levy. Cabinet are recommended that The Head of Corporate Legal Services be authorised to complete the necessary formal operating agreements required for the collection of the BID Levy if a Yes vote is achieved.
- 4.7 The ballot must meet two tests for the BID to be approved. A simple majority of those voting in favour over those who do not, and those voting in favour must represent a greater total rateable value than those voting against.
- 4.8 The BID Development group have informed the Council they plan to employ the services of the Electoral Reform Services to conduct the ballot and

associated additional services. As the relevant ballot holder Cabinet is asked to authorise the Electoral Reform Services to hold the BID ballot.

## **5.0 Next Steps**

- 5.1 Ballot papers will be sent out on the 27<sup>th</sup> February 2014, these must be returned by the 27<sup>th</sup> of March with the result of the ballot being announced on the 28<sup>th</sup> March 2014.
- 5.2 If the vote is in favour the BID will be launched on the 1<sup>st</sup> of June, the baseline agreement and operating agreement can then be signed by the delegated officer.