

Report to:	Cabinet	Date of Meeting:	7 March 2019
Subject:	Southport Business Improvement District		
Report of:	Head of Economic Growth and Housing	Wards Affected:	Cambridge; Dukes;
Portfolio:	Cabinet Member - Regeneration and Skills		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To approve the Southport Business Improvement District (BID) Business Plan and agree the next steps by the council as part of the BID ballot process

Recommendation(s):

1. Approve the proposals for the Southport Business Improvement District (BID) as set out in the business plan
 2. Authorise the Head of Economic Growth & Housing to submit a positive vote on behalf of the Council
 3. Provide delegated authority to The Chief Executive, in consultation with the Leader of the Council and section 151 officer, to sign a future BID Baseline Agreement on behalf of the council
- (i) That the Head of Corporate Resources be authorised to complete the necessary formal agreements required for the collection of the BID Levy if a Yes vote is achieved
- (ii) As the relevant ballot holder, authorise the Electoral Reform Services to hold the BID ballot.

Reasons for the Recommendation(s):

To allow the BID ballot to commence and then thereafter for the BID company to deliver a new 5 year term

Alternative Options Considered and Rejected: (including any Risk Implications)

There are no other alternative options for BID delivery, or similar model that would secure the level of private sector investment into Southport.

If the Council were to refuse a new BID ballot the existing BID would stop at the end of October 2019, this would see a loss of £2.1m invested over the next 5 years.

What will it cost and how will it be financed?

(A) Revenue Costs

It is estimated that the BID Company would raise in the region of £436,000 per annum over the next 5 years for key areas of investment in the town (in accordance with the BID business plan). This would represent nearly £2.1million 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 £23,000.

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.

(B) Capital Costs

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
The Council will have 16 levy payments to make per year totalling £23,183. These individual payments will be met from the relevant service budgets.
Legal Implications:
If the BID achieves a Yes vote a number of legal agreements will need to be formalised in relation to levy collection and baselines services.
Equality Implications:
There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: N/A
Facilitate confident and resilient communities: The BID will bring over 700 businesses together to work in partnership and create a confident business partnership
Commission, broker and provide core services: N/A

Place – leadership and influencer: A thriving Town Centre is critical in creating a sense of place for residents, businesses and visitors
Drivers of change and reform: Private Sector taking a lead in delivering additional services
Facilitate sustainable economic prosperity: Investment in Southport town centre will help improve the vitality and viability
Greater income for social investment: N/A
Cleaner Greener: The BID will focus on improved planting and other cleaner greener initiatives

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD.5544/19) and the Chief Legal and Democratic Officer (LD4668/19) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The BID has consulted levy payers as part of the business plan process.

Implementation Date for the Decision

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

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Appendices:

The following appendice is attached to this report:

- Southport Business Improvement District Business Plan

1. 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 currently at 1.5%. The funding is collected by the council and handed to the 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 The Southport BID have now submitted their business plan for a second term, this report summarises the main proposals while the main document is contained in Appendix 1

2.0 Business Plan

- 2.1 The BID's first term comes to an end in November 2019, the new business plan has identified many BID achievements in the first 5 years these include;
- Town Centre Ambassadors greeting over 5,000 visitors in their first year
 - Providing summer and winter planting with over 5,000 plants
 - Delivering Town centre events such as Halloween and Christmas lights switch on attracting over 10,000 people
 - Supporting independent businesses with an independent campaign all year
 - Invested over £250,000 in Christmas lights making Southport one of the stand out Christmas attractions in the North West
 - Supported destination marketing campaigns
 - Also supported Sefton's funding applications for CCF funding and the more recently HLF Townscape Heritage fund
 - Led on and submitted a successful purple flag application for Southport
 - Set up and support Southport's business against crime network

- 2.2 The above achievements alone demonstrate the value of The BID to Southport Town Centre, to continue the programme of investment it is recommended that the Council submits a positive vote on its properties.
- 2.3 The BID business plan sets out a rateable value of 1.5%, this will be for business rate payers that fall within the BID area as identified in the business plan. It should also be noted businesses with a rateable value under £7,000 will not be liable (an increase from £2,000) while Charities will not be exempt as per the BID regulations and will have to pay the 1.5% levy based on their property rateable value.
- 2.4 The BID is projected to raise a total of £2.1 million over 5 years; this includes the levy, voluntary contributions along with other revenue streams.
- 2.5 The Southport BID objectives for the next term are;
- Increase footfall and money spent in the town centre
 - Reduce the number of empty shop units
 - Increase the number of new businesses and jobs created
 - Increase inward investment
 - Maximise our contribution to economic regeneration
 - Shape the future of our town by influencing
- 2.6 The BID has consulted with levy-payers to identify what their priorities are through focus groups, questionnaires, one to one meetings and feedback from the Ambassadors. This was a process that started in 2017 and has continued throughout 2018.

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 is seeking approval from Sefton Council for a “Yes” vote. The council is recommended to vote “yes” in the ballot.
- 3.2 Sefton has 16 separate hereditaments within the defined BID area with a total rateable value of £1,545,400. The levy liability is £23,183 at 1.5%. This also allows Sefton Council to have 16 individual votes, 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.

Property	Rateable Value	Levy@1.5%
1, St Andrews Place	£12,750	£191
Public Convenience	£9,800	£147
Rear 55, Tulketh Street	£50,500	£758
Adj, Marine Lake, Marine	£33,000	£495

Drive		
Corner Esplanade, Marine Drive	£43,750	£656
Car Park Adj Floral Hall	£50,000	£750
77-91, Tulketh Street, Southport	£35,000	£525
9-11, Eastbank Street	£44,750	£671
93-105, Lord Street	£47,500	£713
Town Hall	£98,000	£1,470
8, Post Office Avenue	£15,450	£232
Stall 09 Southport Market Hall	£7,700	£116
Southport Pier	£14,500	£218
Units 14-16, Cambridge Walks	£7,700	£116
Dunes Leisure Centre	£515,000	£7,725
The Atkinson	£560,000	£8,400
Total	£1,545,400	£23,183

4.0 Formal Agreements

- 4.1 If a Yes vote is achieved a formal agreement between the Council and Southport BID will have to be drawn up to cover services provided by the Council within the BID Area.
- 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 on behalf of the council
- 4.5 The Council will collect the levy on behalf of the BID company, once collected the monies will be passed on to the BID. The BID will cover any software and licences costs 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 Resources 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 has informed the Council they wish to employ the services of the Electoral Reform Services to conduct the ballot and associated additional services. As the relevant ballot holder (Sefton) Cabinet is asked to authorise the use of Electoral Reform Services to conduct the BID ballot.

5.0 Next Steps

- 5.1 Ballot papers will be sent out in May 2019, with the result of the ballot being announced in June 2019.
- 5.2 If the vote is in favour the BID will start a second term on the 1st of November 2019, the baseline agreement and operating agreement can then be signed by the delegated officer.