

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT TO SPECIAL MEETING OF CABINET
10 SEPTEMBER 2019
REPORT OF THE CHIEF EXECUTIVE OFFICER

THE BRIDGEND BUSINESS IMPROVEMENT DISTRICT ALTERATION PROPOSAL

1. Purpose of Report.

- 1.1 The purpose of this report is to seek Cabinet approval:
- 1.1.1 To note the contents of the report and approve the financial arrangements as detailed within it.
- 1.1.2 To delegate authority to the Leader of the Council to cast the Council's votes in the BID ballot. The report recommends that the Authority agree to vote Yes in favour of the alteration ballot.
- 1.1.3 Upon there being a successful BID alteration ballot (and the required formalities under the Business Improvement Districts (Wales) Regulations 2005 having been complied with), delegate authority to the relevant Chief Officers to approve and finalise and execute the terms of the deed of variation to the Baseline Services Agreement and the Operating Agreement with the BID Company.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priority:-
Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.

3. Background.

- 3.1 Reports presented to Cabinet on 10th May 2016 and 7th June 2016 - detailed the process of establishing the Bridgend Business Improvement District (BID).
- 3.2 The ballot, which proposed establishing a BID for the CF31 area, was held in September 2016. Following a 'yes' vote the BID and the CF31 Business Improvement District Company Ltd ("The BID Company") who manages the BID was established and has been in operation since 1st October 2016.

4. Current situation / proposal.

- 4.1 The BID Company has been delivering a programme of targeted projects and services within the CF31 area. With the term of the current BID due to end on 30th September 2019 the BID Company is now seeking to alter the terms of the current

BID and extend it for a further 5 years. To alter the arrangements, legislation requires that an alteration ballot must be held.

- 4.2 In advance of the proposed alteration ballot, the BID Company has been consulting with its board of directors and the BID levy payers on the proposals for the 2019 – 2024 manifesto (attached at Appendix 2 to this Report).
- 4.3 In order to hold an alteration ballot, the BID Company is required to serve a notice upon the Billing Authority under Regulation 4(2)(a)(ii) of Business Improvement Districts (Wales) Regulations 2005 (“the Regulations”) along with supplementary documentation requesting the Billing Authority to instruct the Ballot Holder to hold an alteration ballot. Under the Regulations, the Council is the Billing Authority and the Returning Officer for the Council is the Ballot Holder.
- 4.4 The BID Company has served the Notice referred to in paragraph 4.3 and supplementary documentation as required under the Regulations. The alteration proposals have been reviewed and it is considered that they do not conflict with any other policy formally adopted by and contained in a document published by the Council.
- 4.5 Following receipt of the Notice and supplementary documentation, in order to comply with its statutory obligations, the Council instructed the Returning Officer as Ballot Holder to hold the alteration ballot. The Ballot Holder has commissioned UK Engage to conduct the ballot on the Council’s behalf. This company has previously carried out ballots for the Council when there has been insufficient capacity for the Council to undertake the work.
- 4.6 The alteration proposals propose that the current BID arrangements be altered in the following manner:
 - Boundary - the BID Boundary be redrawn and a map of the boundary under the alteration proposals is attached at Appendix 1 to this Report.

The following streets are included in the BID area in whole or in part:
Adare Street, Angel Street, Boulevard de Villenave d’Ornon, Brackla Street, Brewery Lane, Caroline Street, Cheapside (not including the most Eastern part of Cheapside where the Asda store is located), Court Road, Cross Street, Derwen Road, Dunraven Place, Elder Street, Langenau Strasse, Market Street, Merthyr Mawr Road, Nolton Street numbered 1,2,3,4,5,6,7,8,9,10,11,11a,12,13,14,15,16,18,20,22,24,26, 34-36,38-40,42a,44 including Nolton House and Nolton House car park, Quarella Road, Queen Street, Station Hill, The Rhiw, The Rhiw Centre, Water Street and Wyndham Street

- Rateable value – the rateable value of hereditaments within the boundary is changed from £6,000 to £5,000.
- The Levy payment is increased from 1.25% to 1.5%
- The proposed BID term will be five years in duration from 1st October 2019 to 30th September 2024.

4.7 Each separate property occupied or owned by a business ratepayer (referred to as a hereditament) attracts a vote. To be successful the vote must meet two tests as set down in the Regulations:

- The first condition is that a majority of the persons voting in the alteration ballot have voted in favour of the alteration proposals.
- The aggregate of the rateable values of each hereditament in respect of which a person voting in the alteration ballot has voted in favour of the alteration proposals exceeds the aggregate of the rateable values of each hereditament in respect of which a person voting in the alteration ballot has voted against the alteration proposals.

4.8 The legal requirements for holding an alteration ballot under the Regulations are shown in the below timetable, incorporating the dates as set out in relation to this alteration ballot.

4.9 Ballot timetable

Action	Regulation Requirement	Alteration Ballot
Publication by Ballot Holder (the Returning Officer) of Notice of alteration Ballot and comply with the requirements of Paragraph 3 of schedule 2 of the Regulations. Copy notice of ballot sent to the National Assembly	Latest day: 42 days before ballot day	Thursday 8 th August 2019
Dispatch of ballot papers	Latest day: 28 days before ballot day	Thursday 22 nd August 2019
Ballot Day	the day determined in accordance with paragraph 2 of Schedule 2 of the Regulations	Thursday 19 th September 2019
Counting of votes	As soon as practicable after the ballot day	After 5pm on Thursday 19 th September 2019
Declaration of result	Results must be certified in accordance with paragraph 17 of Schedule 2 of the Regulations. Following certification, the ballot holder must make forthwith a declaration of the matters certified and as soon as reasonably practicable give public notice of the matters certified	Friday 20 th September 2019
BID start date	The BID arrangements come into force on the day	Tuesday October 1 st 2019

	set out in the BID alteration proposals.	
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- 4.10 The alteration ballot will take place between August 22nd – September 19th, with publication of the result targeted for September 20th.
- 4.11 If the ballot is successful the BID Company and the BID will continue to operate on the basis of the alteration proposals until 30th September 2024. If a No vote is recorded the BID Company and the BID will cease to operate on 30th September 2019.
- 4.12 The Council is now in a position to make a decision on how to cast its vote in the forthcoming BID alteration ballot.
- 4.13 The Council has six separate hereditaments with a total rateable value of £869,750 (see paragraph 8.2 of the report). The annual levy liability under the alteration proposals is £13,046.25 at 1.5%.
- 4.14 A BID for Bridgend remains an important tool in stimulating economic development of the town centre. The investment made by the businesses through the levy helps to address some key issues that currently affect the success of the town. Importantly it gives the business community a greater sense of ownership enabling them to play a role in transforming Bridgend into a better place to do business.
- 4.15 Successful BID's are proven to create a cohesive business community, encourage private sector creativity to tackle problems and improve communication between business and councils.
- 4.16 It should be noted that Welsh Government is committed to the creation of BIDs in town and city centres and regards them an important part of the regeneration process.
- 4.17 It is the view of officers that the current BID has improved the vitality and viability of the town centre and therefore recommends to Cabinet that it approves the BID continuing in Bridgend Town Centre on the basis of the alteration proposals.

Formal Agreements

- 4.18 In accordance with the Regulations, a series of agreements between the Council and the BID Company must be put in place following a successful BID ballot:
- 4.18.1 Baseline Service Agreement – this defines the level of service delivered by the Council to the BID area. Under the Agreement, the Council shall notify the BID Company of any changes to the services during the term of the BID. The purpose of the Agreement is to reassure businesses that they are not paying the BID levy for existing services. The current Baseline Service Agreement will continue in the event of a Yes vote but on the basis of the alteration proposals. A draft Baseline Service Agreement was available before the ballot but the finalised terms of the Agreement will be negotiated with the BID Company, following the result of a successful ballot. On the basis that the BID ballot is successful, the Baseline Services Agreement will be varied and completed.

4.18.2 Operating Agreement – this document is an agreement between the BID Company and the Council in respect of the administration, collection and enforcement of the BID levy. The Council is the local authority with legal responsibility to set up the BID financial account and provide the invoice, billing and collection of the Bridgend BID levy. The Council's costs and expenditure in carrying out this work are in accordance with the Regulations deductible from the collected BID levy. There is a requirement under the Regulations for to keep a BID Revenue Account. The current Operating Agreement is due to end on 30th September 2019 therefore the Council and the BID Company must enter into a new Operating Agreement in the event of a Yes vote. In the event of a No vote, the current Operating Agreement will cease on 30th September 2019. The finalised terms of the Operating Agreement will again have to be negotiated with the BID Company and shall be finalised following the result of a successful ballot. The Council must pass to the BID Company the levy collected on its behalf. The financial risk associated with non-payment of the levy rests with the BID Company, not the Council.

Next steps

4.19 Following publication of the result of the alteration ballot and in the event of the result being a Yes vote, the Operating Agreement and the variation to the Baseline Service Agreement can be finalised and executed by the Council and the BID Company (see paragraph 4.18 of this report)

4.20 The Council in its capacity as the Billing Authority under the Regulations is required to put in place arrangements for collection of the levy following publication of the result. This will entail the renewal and revision of appropriate billing software. This cannot be done until after the result, but will be arranged and put in to effect as soon as practicably possible.

5. Effect upon Policy Framework & Procedure Rules.

5.1 There is no effect upon the policy framework or procedure rules.

6. Equalities Impact Assessment

6.1 There are no direct equality implications to this report.

7. Well-being of Future Generations (Wales) Act 2015 Assessment

7.1 The Well-being of Future Generations (Wales) Act 2015 sets out seven Well-being Goals which aim to make a positive impact upon the social, economic, environmental or cultural well-being of the area or community concerned. This report aligns with the following Well-being Goals:

- A prosperous Wales - within Bridgend County Borough the retail sector creates employment opportunities, with a significant number of those located within the town centres of Bridgend, Porthcawl and Maesteg.
- A healthier Wales – a visit to a town centre benefits people's well-being through increased social interaction and physical exercise.

- A more equal Wales – town centres aim to be places which promote diversity and offer equal opportunity regardless of a person’s background or circumstances.
- A Wales of cohesive communities – vibrant town centres which provide a broad range of shops and services in an attractive, safe environment are essential to the future of local communities
- A Wales of vibrant culture and thriving Welsh language – town centres help protect the nation’s cultural identity through their architectural heritage and are places which can encourage the use and promotion of the Welsh Language.
- A globally responsible Wales – retaining local shops and services reduces the need for private vehicle use and actively promotes public transport links
- A Resilient Wales - creating support opportunities within towns to enable retail and commerce to respond to and withstand economic uncertainty and changes in shopping habits and demand for services.

7.2 In addition, the report is also consistent with the five ways of working as defined within the sustainable development principle in the Act:

- Long Term - Continued investment in town centres contributes to the viability and sustainability of local communities. Although the nature and role of town centres is constantly evolving, they must strive to be places which remain relevant and improve people’s quality of life;
- Prevention – The aim of regeneration initiatives and Town Centre Management is to avert the decline of town centres and enhance them as significant places within local communities;
- Integration - The vitality of town centres contributes to the prosperity, health and cultural identity of Wales and is therefore central to the Act;
- Collaboration - Town Centre Management works in partnership with Town Councils, local organisations and businesses to encourage community engagement and promote the town centres. Within the Council it acts as a conduit to focus existing Council resources upon town centre issues;
- Involvement – By their nature town centres promote social interaction and should be places where diversity and equality are encouraged and celebrated.

8. Financial Implications.

8.1 As a business rate payer within the proposed BID area, there are financial implications for the Council in the event of a “yes” vote.

8.2 Within the proposed BID area there are six properties in the Council’s ownership. The table below identifies the properties concerned, the rateable value and the levy. The levy payable would be fixed at the time of ballot for the duration of the BID. The levy would be paid annually for five years.

<i>Hereditament</i>	<i>Rateable Value</i> £	<i>Levy Payable</i> £
<i>Civic Offices, Angel St</i>	505,000	7,575.00
<i>Car Park No 1, Brackla St</i>	12,750	191.25
<i>Ground & First Floors Ravens Court</i>	180,000	2,700.00

<i>Car Park West side, Brackla St</i>	<i>52,000</i>	<i>780.00</i>
<i>Bus Station, Market St</i>	<i>52,500</i>	<i>787.50</i>
<i>Rhiw Car Park</i>	<i>67,500</i>	<i>1,012.50</i>
Total	869,750	13,046.25

Note: Currently there are six stalls in the indoor market that the Council are liable to pay the levy on. If these should become occupied then the ratepayer will be become liable for the BID.

8.3 There are a number of costs associated with the BID ballot process and ongoing costs in the event of a 'Yes' vote.

	Item	Yr 1 £	Yr 2 £	Yr 3 £	Yr 4 £	Yr 5 £
1	Ballot costs	4,059.65	N/A	N/A	N/A	N/A
2	Consultancy from software company to set up new BID area from 01/10/19	5,500	N/A	N/A	N/A	N/A
3	License agreement for BID software	2,700	2,700	2,700	2,700	2,700
4	Collection costs rechargeable to the BID	10,000*	10,000*	10,000*	10,000*	10,000*
	Total	22,259.65	12,700	12,700	12,700	12,700
	Total cost to BCBC	12,259.65	2,700	2,700	2,700	2,700

** The collections costs set out in 8.3 item 4, are subject to negotiation as part of the Operational Agreement negotiations that take place following a successful ballot. It is anticipated that £10,000 will be minimum recharge value.*

8.4 The Councils levy cost for the hereditaments set out in paragraph 8.2 will be paid from the Regeneration Services budget, as will the non-rechargeable costs set out in paragraph 8.3 above.

8.5 Under the Regulations the Council is able to recover the cost of holding the alteration ballot from the BID Company in the event that the number of persons voting in the ballot who voted Yes is less than 20% of the persons entitled to vote and the proposals were not approved or the alteration ballot is declared void by the National Assembly for Wales due to a material irregularity caused by the actions or omissions of the BID Company. If this should occur, the Council intends to recoup the costs of the alteration ballot from the BID Company in accordance with the Regulations.

9. Recommendation.

9.1 Cabinet is recommended to:

- (i) Note that the BID alteration proposals and supplementary documentation have been submitted to and approved on behalf of the Council, as complying with the requirements of the Regulations.

- (ii) Note that following receipt of a notice from the BID Company that the Council should instruct the Returning Officer to hold a BID alteration ballot, the Council instructed the Returning Officer to hold a BID alteration ballot by way of delegated power.
- (iii) Approve the financial arrangements detailed in paragraphs 8.2 and 8.4 of the report.
- (iv) Agree to vote in favour of the Bridgend Business Improvement District alteration proposals in the BID alteration ballot.
- (v) Delegate authority to the Leader of the Council to cast the Council's votes in the BID alteration ballot.
- (vi) Upon there being a successful BID alteration ballot (and the relevant certification and publication notice required by the Regulations having been undertaken), delegate authority to the Chief Executive Officer in consultation with the Head of Legal and Regulatory Services and the Section 151 Officer to approve and finalise the terms of the deed of variation to the Baseline Services Agreement with the BID Company and to arrange for the Head of Legal and Regulatory Services to execute the deed of variation to the Baseline Service Agreement.
- (vii) Upon there being a successful BID ballot (and the relevant certification and publication notice required by the Regulations having been undertaken), delegate authority to the Section 151 Officer in consultation with the Chief Executive Officer and the Head of Legal and Regulatory Services to approve and finalise the terms of the Operating Agreement with the BID Company and to arrange for the Head of Legal and Regulatory Services to execute the Operating Agreement.

Mark Shephard
Chief Executive Officer
Date – 10 September 2019

Contact Officer: Delyth Webb
Group Manager Strategic Regeneration

Telephone: (01656) 815207

E-mail: Delyth.Webb@bridgend.gov.uk

Postal Address Bridgend CBC, Civic Offices,
Angel Street,
Bridgend.
CF31 4WB.

Background documents

BID Arrangements Document
Draft Baseline Services Agreement
Draft Operating Agreement
Cabinet Report of 10th May 2016
Cabinet Report of 7th June 2016

Appendix 1

