

Maidstone Town Centre Business Improvement District

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service/Lead Director	William Cornall – Director of Regeneration & Place
Lead Officer and Report Author	Fran Wallis – Local Economy Projects Officer
Classification	Public
Wards affected	High Street, North, East, Fant and Bridge wards.

Executive Summary

This report provides an update on the One Maidstone plans to create a Business Improvement District (BID) for Maidstone Town Centre and seeks confirmation of the Council’s support for the BID.

This report makes the following recommendations to this Committee:

1. To support the ballot for a BID as proposed by the BID organisation.
2. To delegate authority to the Director of Regeneration and Place to cast the Council’s 15 votes in favour of a BID in the ballot.
3. To conduct the ballot on behalf of the BID organisation.
4. If the BID is successful, to enter into an operating agreement and a baseline agreement with the BID organisation.

Timetable

Meeting	Date
Policy and Resources Committee	25 April 2018

Maidstone Town Centre Business Improvement District

1. INTRODUCTION AND BACKGROUND

Background

- 1.1 Maidstone, as the County Town of Kent, has a proud history of town centre management. Formed some twenty years ago, Maidstone Town Centre Management Ltd saw many changes within the town and has been at the forefront of improving the town centre, regularly adopting pilot status for many improvement initiatives and widely being regarded as an example of best practice for town centre management schemes.
- 1.2 In late 2014 it was decided to fold the original Town Centre Management company and form a new body, One Maidstone, merging its business focused expertise with the more community led Town Team. This body also incorporates MaidSafe, the town's business crime reduction partnership, within its jurisdiction.
- 1.3 For further progress to be made, One Maidstone has looked towards a Business Improvement District (BID) for the future. Primarily this is because many businesses will no longer financially support an organisation without BID governance, a continuation of the trend in fall off in financial contribution towards the traditional membership structure of town centre management organisations and adoption of a 'BID only' policy for many multinationals.

What is a BID?

- 1.4 A BID is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. It is a business-led and business funded body formed to improve a defined commercial area. The benefits of BIDs cited by the businesses they represent are wide-ranging and include:
 - a) Businesses decide and direct what they want for the area.
 - b) Businesses are represented and have a voice in issues affecting the area.
 - c) BID levy money is ring-fenced for use only in the BID area by the BID organisation – unlike business rates which are paid in to, and redistributed, public authorities.
 - d) Increased footfall.
 - e) Improved staff retention.
 - f) Business cost reduction.
 - g) Area promotion.
 - h) Facilitated networking opportunities with neighbouring businesses.
 - i) Assistance in dealing with the Council, Police and other public bodies.

- 1.5 BIDs usually have a levy set of between 1% and 4% of rateable value and last for up to five years. Once a ballot is successful the BID levy is mandatory for all eligible rate payers.
- 1.6 First ballots stand at a 90% success rate so clearly businesses up and down the country value the concept, with many now in their second and third terms. There are now over 250 BIDs in the UK. Through astute planning and efficient delivery One Maidstone will ensure that a clear vision for the BID is set out and businesses experience these advantages.
- 1.7 A BID is supposed to deliver additionality so can choose the projects businesses value and want investment in. With non-statutory services being cut by councils, a BID can prove to be a very helpful and welcome tool. It is a fact that Local Authorities have stretched budgets; therefore does business just accept this and leave funding gaps where they desperately want to improve their trading environment? Having Local Authority backing is of course essential but BIDs are private sector led, funded and managed.
- 1.8 The BID Proposal or Business Plan will set out businesses' priorities for improvements for the area and area services, as well as how the BID will be managed and operated. This document becomes legally binding once a ballot has been won and becomes the framework within which the BID will operate.
- 1.9 An Operating Agreement is entered into between a BID and the local authority governing how the BID levy monies are collected and administered and passed over to the BID organisation.
- 1.10 BIDs enter into Baseline Agreements with their local authority and other service providers, which specify the level of service provision in the area. These ensure that any services the BID provides are additional.

One Maidstone's BID proposal

- 1.11 One Maidstone commissioned CMS, a company that supports the development and management of town centres, to assist them through the BID process. This is a five stage process: Feasibility; Planning; Local Authority Engagement; Campaign and Implementation, the current stage of development is at stages three and four.
- 1.12 Businesses within the proposed BID area have been contacted and consulted with in a variety of ways – face-to-face; email; printed questionnaires; telephone interviews and workshops.
- 1.13 The results from this engagement saw a series of themes emerge – Manage, Promote and Discover, which are being developed further to produce the business plan.
 - 1.13.1 Manage: enhancing the look and feel of the town centre. This could include reducing crime and anti-social behaviour, improved feelings and safety and improved perceptions of the car parking offer.

- 1.13.2 Discover: promoting Maidstone in new ways that encourage existing daytime visitors to extend their stay and discover the evening offer. This could include promoting the aspects of Maidstone that people are not aware of and finding better synergy between the town centre and Maidstone's heritage.
- 1.13.3 Promote: targeted at changing perceptions and raising awareness of Maidstone and all it has to offer and should be known for. This could include attracting customers to visit more, attracting new businesses to the town centre and encouraging longer visits and higher spend.
- 1.14 The emerging vision for the BID is "Managing and promoting the discovery of Maidstone proud and dynamic County town of Kent".
- 1.15 Notification to the Secretary of State requesting the Local Authority to hold the ballot has been submitted.
- 1.16 The proposal currently proposes at 1.5% levy rate to all businesses within the BID area with a rateable value of £15,000 and above reducing to 1% for those businesses in Fremlin Walk, The Mall and Royal Star Arcade who already pay service charges for a managed environment. This will generate an income of approximately 2.15m over the 5 year life of the BID.
- 1.17 The Business Plan for the BID will be sent out at the end of May 2018 along with the Notice of Ballot to all those eligible to vote.
- 1.18 The ballot is likely to run from 15 June to 12 July. If successful the BID is likely to start from 1 October 2018 and will run for five years.

Maidstone Borough Council's role

- 1.19 Maidstone Borough Council (MBC) has 15 properties (hereditaments) in the proposed BID levy area and will therefore have 15 votes in the BID ballot and will pay the levy on those properties. The rateable value of the 15 properties is £1,565,500 and the proposed levy is 1.5%. This will result in a levy payable by MBC of £23,483.50.
- 1.20 MBC will conduct the ballot (which will be postal) in June/July 2018 on behalf of One Maidstone as it has the mechanisms to do so and will also act as the billing body. Rate payers will get 28 days to vote and the ballot will be determined by a dual key mechanism which means that more than 50% of those voting by Rateable Value and by number must vote yes.
- 1.21 MBC will enter into a baseline agreement with the BID organisation. This will identify MBC's statutory obligations which will allow the BID to enhance those services where appropriate in line with the business plan. The baseline agreement will therefore include services such as cleansing, community safety and parking services for the car parks that MBC owns.
- 1.22 MBC will enter into an operating agreement with the BID organisation. This agreement will formalise MBC's clerical input to the ballot itself and

the ongoing levy collection. It will all so identify MBC role on the BID board.

- 1.23 MBC will have two seats on the new BID organisation's Board for an officer representative and a Member.
 - 1.24 MBC currently pays a membership fee to One Maidstone and has a service level agreement with them to deliver a number of services in the town centre for which they receive a grant. These payments will cease if the BID is successful resulting in a saving against the economic development budget.
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2. AVAILABLE OPTIONS

- 2.1 MBC could choose to not support the BID. This is not recommended as the Council has previously demonstrated support for the BID and recognises the benefits it would bring to Maidstone Town Centre.
 - 2.2 To support the BID and vote in favour of it at the ballot.
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3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 Option 2.2 above to support the BID and vote in favour of it at the ballot is the preferred option for the reasons set out in this report.
 - 3.2 The Council's support of the BID will demonstrate its commitment to the businesses in the town centre and the BID, if successful, will build on the investments already made in the town centre in public realm and other capital projects.
 - 3.3 The future of traditional town centre management is not sustainable without a BID model.
 - 3.4 There would be reputational damage to the Council if we were not seen to support the BID.
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4. RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The proposal for a BID has been discussed with Members at briefings, has been mentioned in previous reports on the Town Centre Investment &

Development Plan to Policy & Resources Committee and was presented at the One Council event on 21 September 2017.

- 5.2 Member representatives have attended workshops run by the BID organisation on 27 September 2017 and 13 March 2018.
- 5.3 Feedback from Members to date has been positive.
- 5.4 The BID organisation had been and will continue to conduct extensive consultation with the businesses within the proposed BID area in the development of the business plan.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 MBC will conduct the ballot (which will be postal) in June/July 2018 on behalf of the BID organisation and in accordance with the Regulations will bear the costs.
- 6.2 MBC will use its 15 votes to vote yes in the ballot.
- 6.3 MBC will act as the billing body if the BID is successful.
- 6.4 MBC will enter into a baseline agreement with the BID organisation if the BID is successful.
- 6.5 MBC will enter into an operating agreement with the BID organisation if the BID is successful.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Accepting the recommendations will materially improve the Council's ability to achieve its priority of Regenerating the Town Centre.	Head of Regeneration & Economic Development
Risk Management	Already covered in the risk section.	Head of Regeneration & Economic Development
Financial	Accepting the recommendations will demand ongoing new spending of £23,483.50 for the BID levy on MBC properties if a BID is established. This cost will be met corporately from the business rates budget. One-off	Section 151 Officer & Finance Team

	<p>costs of the BID ballot will be met as part of Economic Development Strategy implementation costs from the proceeds of the 2017/18 Business Rates Pool. On going annual costs of collecting the business rates will be met by the BID company.</p>	
Staffing	<p>We will deliver the recommendations with our current staffing.</p>	<p>Head of Regeneration & Economic Development</p>
Legal	<p>Business improvement districts are business led partnerships which are created through a ballot process to deliver additional services to local businesses. The Local Government and Housing Act 1989, section 150 enables charges to be imposed on permitted grounds.</p> <p>Charges can be imposed for the additional services under the Act and in accordance with the requirements of the Business Improvement Districts (England) Regulations 2004. The process outlined in the regulations must be followed in administering the ballot and the Council's participation in the BID. The recommendations are in accordance with the Act and the Regulations.</p> <p>Acting on the recommendations is within the Council's powers as set out at Part 2.2.1 of the Constitution which outlines the functions of Policy and Resources Committee. The Committee is responsible for all</p>	<p>Patricia Narebor Head of Mid Kent Legal Partnership</p>

	policy matters not otherwise allocated to any other Committee.	
Privacy and Data Protection	The Council is obliged to comply with the Data Protection Act 1998 and General Data Protection Regulations 2016 when handling personal information. The obligations should be considered when administering the ballot for the BID.	Patricia Narebor Head of Mid Kent Legal Partnership
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment. However, it remains essential that ongoing consideration is given to the information and communications produced to ensure it is accessible for all businesses.	Equalities and Corporate Policy Officer
Crime and Disorder	The recommendation could have a positive impact on Crime and Disorder.	Head of Regeneration & Economic Development
Procurement	None	

8. REPORT APPENDICES

I BID Ballot Notification.

9. BACKGROUND PAPERS

None.