

DECISION-MAKER: CABINET
SUBJECT: CHANGES TO EXISTING REVENUE AND CAPITAL BUDGETS
DATE OF DECISION: 16 DECEMBER 2014
REPORT OF: CABINET MEMBER FOR RESOURCES AND LEISURE

CONTACT DETAILS

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STATEMENT OF CONFIDENTIALITY

N/A

BRIEF SUMMARY

This report details a change to existing revenue budgets in relation to a request to support a contribution to the Hampshire Chamber of Commerce for £50,000 to meet the cost of engaging a 3rd party organisation to undertake the consultation and ballot of local businesses to set up a Business Improvement District (BID) in Southampton.

RECOMMENDATIONS:

- (i) Note that the Hampshire Chamber of Commerce has requested a contribution of £50,000 to meet the costs of engaging a 3rd party consultant to progress the setting up of a Business Improvement District in Southampton.
- (ii) Approve the contribution of £50,000 for this purpose in 2014/15 to be funded from a draw from contingencies. If the BID is successful this contribution will be repaid in full.

REASONS FOR REPORT RECOMMENDATIONS

1. A Business Improvement District (BID) is a business led and business funded scheme to improve a defined commercial area. A BID unifies all businesses to work toward a common goal that will revitalize the area. BID levy money is ring-fenced for use only in the BID area enabling businesses to decide and direct what they want for the area to help increase footfall, drive business growth. The benefits of BIDs include:
 - Businesses decide and direct what they want for the area;
 - A voice for business in issues effecting the area;
 - Area promotion; and
 - Facilitated networking opportunities with neighbouring businesses.
2. A previous 'ballot' to establish a BID in Southampton in 2009 failed to secure

a majority vote and the use of a third party to manage, run and market the BID activity is more likely to secure a majority vote and the successful setting up of a Southampton BID.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Not to support the request for financial assistance. Without initial financial support to kick start the project, it is unlikely that the BID will proceed successfully.

DETAIL

4. A Business Improvement District (BID) is a defined area within which businesses pay an additional tax (or levy) in order to fund projects within the district's boundaries. It is funded primarily through this levy but can also draw on other public and private funding streams. Government legislation enabling the formation of BIDs, was introduced into England and Wales in 2003, empowering businesses to 'raise funds locally to be spent locally' on improving their trading environment.
5. A BID can only be formed following consultation and a ballot in which businesses vote on a BID Proposal or business plan for the area. The ballot is run by the local authority or outsourced by the local authority to a third party (with Local Authority oversight). All businesses eligible to pay the levy are balloted. For a BID to go ahead the ballot must be won on two counts:
 - A straight majority; and
 - Majority of rateable value.This ensures that the interests of large and small businesses are protected. There is no minimum turnout threshold.
6. BIDs operate for a maximum of five years. If they wish to continue they must go through a renewal ballot process to secure another BID term of up to five years. The BID Proposal or Business Plan sets out businesses' priorities for improvements for the area and area services, as well as how the BID will be managed and operated. A vote for a BID in Southampton was unsuccessful in February 2009. Work is now on-going to establish a BID in the city again.
7. A steering group (City Centre Working Group) has been established to progress the BID. This is chaired by a representative from Capita. This group includes a number of key players; West Quay; Hammerson; Chamber of Commerce; Business South; and a representative from a (retail) lettings agent (and the city council). The Chamber of Commerce has also identified staffing assistance and has provided accommodation for those working on the project and use of meeting rooms. Additionally, Southampton Solent University has provided staffing for the first year of the projects
8. The Future Southampton team have been working with the City Centre Working Group to establish the scope of the BID area; the likely amount of income from any additional Business Rates Levy; and the type of consultation exercise that needs to be undertaken with those businesses in the proposed area prior to the ballot.
9. There have also been discussions with BIDs in Eastleigh, Bournemouth,

Edinburgh and Winchester and the Chamber of Commerce has funded Southampton to join British BIDs.

10. There are a range of organisations which specialise in supporting the development of BIDs. The failure of the last Southampton BID ballot to secure sufficient support to secure a majority suggests it would be sensible to engage a company with these skills. The cost of managing and marketing the BID activity will initially be in the region of £50,000. In other areas local authorities have provided pump-priming funds for the BID for the consultation stage through to ballot. The Chamber of Commerce have now approached the council for a contribution to cover this initial outlay. If the BID is successful then the contribution would be repaid in full.

RESOURCE IMPLICATIONS

Revenue

11. The existing 2014/15 Revenue Estimates approved, by full council in February 2014, include provision of £250,000 for contingencies. The contribution of £50,000 to the Hampshire Chamber of Commerce to meet the costs of engaging a 3rd party consultant to progress the Southampton BID can be met from this provision. If the BID is successful this contribution will be repaid in full.

Capital

12. There are no capital implications.

Property/Other

13. There are no property implications.

LEGAL IMPLICATIONS

14. The proposals set out in this report are authorised by virtue of s.1 Localism Act 2011 (general power of competence).

Other Legal Implications:

15. N/A

POLICY FRAMEWORK IMPLICATIONS

16. The Medium Term Plan and the Budget are key parts of the Policy Framework of the Council and a Budget and Council Tax for 2014/15.

KEY DECISION?

Yes/No

WARDS/COMMUNITIES AFFECTED:

ALL

SUPPORTING DOCUMENTATION

Appendices

1.	None.
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?		Yes/No
1.	None	