

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 15 April 2019  
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**WARD(S):** Central  
**PORTFOLIO:** Councillor James Swindlehurst, Leader of Slough Borough Council, Regeneration & Strategy

### **PART I** **KEY DECISION**

#### **A BUSINESS IMPROVEMENT DISTRICT FOR SLOUGH TOWN CENTRE**

##### **1 Purpose of Report**

A report outlining the progress of the Business Improvement District (BID) development for Slough town centre and seeking approval from Cabinet on balloting as well as revenues collection procedures.

##### **2 Recommendation(s)/Proposed Action**

The Cabinet is requested to resolve the following issues:

- (a) That it notes the progress of the Slough BID development phase;
- (b) That it delegates the responsibility of casting a Yes vote, on behalf of the Council in the Slough BID ballot to be held in June 2019, to the Director of Regeneration in consultation with the Leader of Slough Borough Council and portfolio holder for Regeneration & Strategy;
- (c) If a No vote is recommended by Cabinet, a further report will be delivered to Cabinet to note the next steps;
- (d) That it nominates the Director of Regeneration and / or his nominee(s) as the Council's officer representatives on the BID Company Board once it is set up following a successful ballot;
- (e) That subject to a Yes vote at ballot by the business community of Slough town centre, the Council as relevant local billing authority will manage the billing and collection of the additional levy, and its transfer to the Slough BID company;
- (f) That it notes that the Authority will pay a levy of approximately £155,000 over the five year term of the BID against a total approximate levy income of £2,050,000
- (g) To note that the start date for the BID is 1<sup>st</sup> April 2020.

##### **3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

###### **3a. Slough Joint Wellbeing Strategy Priorities**

Priorities:

1. Protecting vulnerable children – providing environment and sustainability practices - BIDs are often heavily involved in green and infrastructure projects, making the location more attractive to visitors – driving repeat visits. Projects can include

anything from transport to safety and security to cleaning. These projects help increase footfall into a town

2. Increasing life expectancy by focusing on inequalities – delivering marketing activity – A Slough BID will raise the profile of the town. BIDs work hard to create a real buzz and a positive image for their district. They strategise new ways to generate more visitors which will, in turn, support the area’s economy.

3. Improving mental health and wellbeing - delivering projects that will help to maintain physical and mental health. BIDs create events to encourage a healthy offer in the area thus generating footfall and helping to build awareness.

4. Housing - encouraging development and regeneration projects - BIDs work hard to ensure new developments can get underway and all businesses are equipped to capitalise from them. A Slough BID will strive to make the town centre a better place to work, live and visit – developments often encourage more visitors so BIDs strategise to ensure that the town fully maximises off the opportunities.

### 3b **Five Year Plan Outcomes**

The Slough BID will contribute to the delivery of the following Five Year Plan outcomes:

- Slough will be an attractive place where people choose to live, work and stay
- Slough will attract, retain and grow businesses and investment to provide opportunities for our residents

A BID is a business-led, not-for-profit organisation governed by businesses. Every eligible business in the defined BID area pays a levy into the BID Company, and this is used to deliver projects that improve the businesses environment in Slough town centre. The vision for the Slough BID is: to make the area cleaner, safer and more welcoming for visitors and to ensure that businesses are given every opportunity to succeed, trade and grow through representation, support and investment.

## 4 **Other Implications**

### (a) Financial

Key Financial Implications

| <b>Amount</b>   | <b>Description</b>   | <b>Notes</b>  |
|---|--|---|
| £31,000<br><i>per annum<br/>for next 5<br/>year BID<br/>term)</i> | Additional NNDR charge for council properties in the BID area. | This is a new pressure. A growth bid will be submitted for 2020/21 to cover it.   |
| £40,785   | Payment to Revive and Thrive (R&T) for current stage of work.  | If successful at ballot, monies will be reimbursed to SBC by the Slough BID company. R&T will be paid the sum of £35,785. £5,000 has been retained to cover the costs that will be incurred by the Elections Service. |

|   |   |  |
|---|---|--|
| £31,000<br>(19/20<br>£4,000 per<br>annum<br>thereafter) | Software setup for the BID.   | This will be recouped by SBC from revenues from the BID.               |
| £17,500   | Staffing costs for issuing and collecting the levy.   | This will be recouped from revenues from the BID.                      |
| £30,000   | Bridging Loan to Slough BID<br>This will ensure cash flow for BID until levy monies arrive. BID will not have immediate cash flow from April 2019, when they go live. | SBC exploring this and will charge commercial interest if it proceeds. |

There is a financial risk to the Council as, should the ballot not be successful the £40,785 made available to support the development of the BID would not be repaid. In the event of a successful ballot, the risk to the Council is effectively removed, as repayments would be taken from the levy being collected by the authority over the five years of the BID term. The economic development service has previously considered and accepted this risk. These funds were granted through a transformation/growth bid approved by lead members and directors.

The money raised by the BID will be held locally and allocated to projects by the Slough BID company. The billing, collection and recovery of the BID levy has to be undertaken by the local authority. As the collector of the BID levy, the Authority will be required to pay the Slough BID Company Limited the money collected.

The Council, as a business ratepayer, would be liable to pay the BID levy on all of its 15 eligible properties in the proposed BID area, which on the basis of the Levy proposed and current rateable values would result in a Council liability of £31,000 per annum equivalent to £155,000 over the five year BID term. It is envisaged these costs would be covered with funding from a transformation/growth bid.

There are set up costs for the BID levy which will be charged to the Slough BID Company. The Revenues service has not yet calculated the level of costs involved.

The Authority will incur operating costs over the term of the BID and this will be recharged to the BID. The Revenues service has not yet calculated the level of costs involved.

In the event of a Yes vote, it is not yet known whether the Council would offer the Slough BID Company an advance payment from the levy to be collected to cover the period during which levy payments are awaited, subject to the BID Company demonstrating the need for such payment to be made. The payment is generally between £20,000 and £30,000. It will not be to provide additional funds, but to assist with cash flow. The Revenues service will consider providing this bridging loan before the ballot is held.

(b) Risk Management

| Recommendation from section 2 above    | Risks/Threats/Opportunities | Current Controls | Using the Risk Management Matrix Score the risk | Future Controls                                     |
|--|-----------------------------|------------------|---|---|
| To note the progress of the Slough BID | None                        | None             | 1<br>Economic<br>/Financial                     | Deliver a further update report at a future Cabinet |

|  |   |   |  |  |
|--|---|---|--|--|
| development phase  |   |   | impact – negligible. Almost impossible                   | meeting  |
| To delegate the responsibility of casting a Yes vote on behalf of the Council in the Slough BID ballot to be held in June 2019, to the Director of Regeneration in consultation with the Leader of Slough Borough Council and portfolio holder for Regeneration & Strategy | The Authority ensures to deliver its ambitions in improving the Centre of Slough  | Informed on BID Development work  | 6 Political – Marginal impact. Low probability           | Obtain advice from Revive & Thrive, BID Development expert, on alternative options |
| To deliver a further report to Cabinet to note the next steps if a No vote is recommended by Cabinet   | Slough Borough Council perceived by the business community and town centre stakeholders as failing to support businesses in thriving in the area and failing to deliver the 5 year Plan | Delivery of BID proposals regularly reviewed by Council's representative (s) part of Shadow BID Board   | 6 Economic/ Financial impact - marginal. Low probability | Increased engagement between the Authority, Slough BID and the business community  |
| To nominate the Director of Regeneration and / or his nominee(s) as the Council's officer representatives on the BID Company Board once it is set up following a successful ballot   | Increased confidence in the Authority to support local businesses   | Officers as part of the Shadow BID Board able to influence the successful delivery of the BID Proposals | 6 Political impact – marginal. Low probability           | Officers part of the decision making process and attendance of Board meetings      |

|  |  |  |   |   |
|--|--|--|---|---|
| Subject to a Yes vote at ballot by the business community of Slough town centre, the Council as relevant local billing authority to manage the billing and collection of the additional levy, and its transfer to the Slough BID company | Failure to put in place the effective processes to collect the levy from BID rate payers       | Operational agreement between the Authority and Slough BID company will be in place                  | 6<br>Economic/Financial impact – marginal impact. Low probability | Regular review of the operational agreement clauses by The Authority and Slough BID Company |
| To note that the Authority will pay a levy of approximately £155,000 over the five year term of the BID against a total approximate levy income of £2,050,000  | Slough BID fails to deliver improvements to the high street as stipulated in the BID proposals | Council representative(s) sit on the Shadow BID Board and ensure all contractual obligations are met | 6<br>Economic/Financial impact - marginal impact. Low probability | Help secure further investment for town centre improvements                                 |

(c) Human Rights Act and Other Legal Implications

It is not considered that there are any Human Rights Act implications resulting from this report.

Section 41 of the Local Government Act 2003 (“the Act”) enables a billing authority to make arrangements (“BID arrangements”) with respect to an area (a “business improvement district”) comprising all or part of its area. The purpose of BID arrangements is to enable projects specified in the arrangements to be carried out for the benefit of the business improvement district or those who live, work or carry on any activity in the district, and those projects to be financed (in whole or in part) by a levy (“BID levy”) imposed on the non-domestic ratepayers, or a class of ratepayers, in the district.

Under Section 44 of the Act, where BID arrangements are in force, the billing authority which made the arrangements must comply with them.

Under Section 45 of the Act BID levy is to be imposed in a business improvement district only for periods falling within the period in which BID arrangements are in force in respect of the district and the amount of the BID levy for any chargeable period is to be calculated in such manner as may be provided in the BID arrangements and may be different for different cases.

Under Section 46 of the Act BID arrangements must specify the description of non-domestic ratepayers in the business improvement district who are liable for BID levy

for a chargeable period and a person is liable for BID levy for a chargeable period if he falls within that description at any time within the period. The amount of a person's liability for BID Levy for any chargeable period is determined in accordance with the BID arrangements.

Under Section 49 of the Act BID arrangements are not to come into force unless proposals for the arrangements ("BID proposals") are approved by a ballot of the non-domestic ratepayers in the proposed business improvement district who are liable for the proposed BID levy. The Secretary of State may by regulations make provision as to who may draw up BID proposals, as to the procedures to be followed in connection with the drawing up of proposals and as to the date which may be provided under BID proposals for the coming into force of BID arrangements which give effect to the proposals.

Under Section 50 of the Act BID proposals are not be regarded as approved by a ballot held for the purposes unless 2 conditions are satisfied. The first condition is that the majority of persons voting in the ballot have voted for the BID proposals. The second conditions is that the aggregate of the rateable values of each hereditament in respect of which a person voting in the ballot has voted in favour of the BID proposals exceeds the rateable value of each hereditament in respect of which a person voting in the ballot has voted against the BID proposals.

Under Section 51 of the Act the billing authority to which the proposals relate may in prescribed circumstances veto the proposals within a prescribed period from the date of the ballot by giving notice to the persons entitled to vote in the ballot provided it has had regard to prescribed circumstances and gives reasons for its decision. Any persons entitled to vote in the ballot may appeal to the Secretary of State.

BID proposals come into force, subject to any veto and appeal against such a veto, on such day as may be specified under the BID proposals.

Under Section 53 of the Act BID arrangements have effect for such period (not exceeding 5 years) as may be specified in the arrangements.

The Secretary of State has made regulations, The Business Improvement Districts (England) Regulations 2004 ("the Regulations") governing the process for establishing BID arrangements.

Under the Regulations the billing authority, inter alia, may draw up the BID proposals. Where the billing authority draws up the BIS proposals it must at least 84 days before instructing the ballot holder to hold a BID ballot notify the Secretary of State of its intention to do so.

Under Regulation 6 of the Regulations the ballot holder shall be the person that the relevant billing authority has appointed to be the Returning Officer for elections in its area under the Representation of the People Act 1983. Schedule 2 of the Regulations sets out detailed timetable arrangements for the holding of ballots. The expenses of the Ballot Holder have to be paid by the relevant billing authority.

The Secretary of State has power to declare ballots to be void in the event of material irregularities.

An alternative system exists under the Business Rate Supplements Act 2009 which enables levying authorities to levy a business rate supplement (“BRS”) for the purpose of raising money for expenditure on a project that an authority is satisfied will promote economic development in its area. A levying authority may use sums it receives in respect of a BRS to provide housing, social services and educational services, services for children and health services. Before a levying authority may impose a BRS it must publish an initial prospectus, consult on its proposals, hold a ballot if it proposes to hold one and issue a final prospectus. A levying authority imposing a BRS must also set rules for the purposes of cases where a person is liable for a BID Levy in respect of a hereditament on which a levying authority also imposes a BRS to off-set liability for a BID levy against a liability to pay BRS to the extent set out in that Act.

(d) Equalities Impact Assessment

It is not necessary to undertake an Equalities Impact Assessment at this stage. However should any actions require an assessment, this exercise will be carried out when necessary according to Slough Borough Council’s rules and guidelines.

## 5 Supporting Information

### Introduction and Background

- 5.1 The implementation of a BID in Slough town centre represents a tremendous opportunity for the business community in benefitting from the major regeneration programme well underway in the Centre of Slough. A BID is a partnership between a local authority and local businesses which is intended to provide improvements to the public sphere within a specified geographical area. A BID is funded by a levy on non- domestic ratepayers. There are now over 300 BIDs in the UK. These BIDs are working hard to make their responsible geographical area better; introducing new facilities, services and projects to enhance the destination.
- 5.2 The benefits of BIDs cited by the businesses they represent are wide-ranging and include:
- Businesses decide and direct what they want for the area
  - Businesses are represented and have a voice in issues effecting the area
  - BID levy money is ring-fenced for use only in the BID area
  - Increased footfall
  - Improved staff retention
  - Business cost reduction
  - Area promotion
  - Facilitated networking opportunities with neighbouring businesses
  - Assistance in dealing with the Council, Police and other public bodies
- 5.3 Revive & Thrive was initially commissioned to undertake a feasibility study to determine the viability of developing a Business Improvement District in Slough town centre. In summer 2018, a survey of businesses was undertaken across all sectors and areas of Slough town centre which highlighted that businesses would be willing to test the viability of a BID in a ballot. 55 businesses returned a survey for the feasibility study, with many more engaged. Fewer than 8% of respondents did not think that a BID for Slough should be tested at ballot.

- 5.4 In terms of the results of the business survey, several themes were consistently highlighted as being major issues or problems that were affecting businesses or that they would like to see addressed. Primarily, these were issues around crime, security and anti social behaviour, the quality of the business mix and environment, accessibility and the cost of doing business in Slough. The survey also highlighted the desire for the business community to enhance the streets in which they operate, their physical appearance, infrastructure and atmosphere alike.
- 5.5 A focus will therefore be made on developing projects under the following five themes: Representation; reduction of crime and anti-social behaviour; environment; business support and marketing Slough.
- 5.6 The greatest concern for business that is emerging, from the BID development phase, for the BID to work on is crime and antisocial behaviour, and Revive & Thrive have begun talking to the Thames Valley Police about how they can best work with them on enhancing the security in Slough town centre. Other projects that have emerged are events, street cleanliness and importantly, marketing the town and improving the perception of Slough to encourage people to come here.

#### Balloting Procedures

- 5.7 According to BID regulations, 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. All businesses eligible to pay the levy are balloted for a minimum of 28 days.
- 5.8 Most BID ballots are sub-contracted to Electoral Reform Services. This could be the case for Slough, although the Council remains the ballot holder. Precise arrangements for the ballot will be agreed between the BID Steering Group and the Council's Electoral Services team prior to ballot. Revive & Thrive have advised the Elections Service to seek a quotation from Electoral Reform Service to deliver the BID ballot on the Council's behalf.
- 5.9 For the BID to be successful, two thresholds must be met:
- More than 50% of businesses who vote must vote in favour of the proposal;
  - The Yes votes must represent more than 50% of the total rateable value of all votes cast
  - Subject to a successful vote Slough BID will set up as a company limited by guarantee, with a Board of 12 to 16 directors, which may include up to two local authority representatives.
- 5.10 As identified in the Feasibility Report, Slough Borough Council will hold 15 votes in the BID ballot. These are not enough to sway the outcome of the ballot and will provide invaluable support in securing an overall Yes vote. It is recommended that Cabinet delegates the responsibility of casting the Council's votes to the Director of Regeneration in consultation with the Leader of Slough Borough Council and portfolio holder for Regeneration & Strategy.

#### BID Steering Group

- 5.11 Established in February 2019, the BID Steering group are now meeting on a regular basis, and have chosen a representative from Kingdom Property as a Chairman.



Other members include Debenhams, Queensmere Observatory, Holiday Inn Express and Tesco.

- 5.12 The Chair of the BID Steering group sent the draft BID proposal and a notification of intention to submit a BID proposal for balloting purposes on 21 February 2019 to:
- Cllr James Swindlehurst Leader of Slough Borough Council
  - Josie Wragg, Chief Exec of Slough Borough Council
  - The Ministry of Communities and Local Government

The Chair also sent a request to hold ballot to Mrs Wragg.

### BID Levy

- 5.13 Once a ballot is successful the BID levy is mandatory for all eligible businesses. BIDs can choose to exempt certain businesses from paying the levy (and therefore from voting in the BID ballot). Many BIDs exempt the smallest businesses; and some exempt certain business sectors.
- 5.14 For the Slough BID, the BID levy is likely to be set at 1.25% of rateable value (RV), with a discount of 0.25% for tenants in serviced properties. Businesses with a rateable value below £10,000 will not be expected to pay the BID levy and it is likely that a maximum cap will be set. ATMs, mobile phone masts, advertising hoardings and schools will not be included within the BID.
- 5.15 Based upon these parameters, the annual budget for the BID will be in the region of £410,000 with an expected levy income over its five-year term of £2.05m, all of which it is anticipated will be re-invested in improving Slough town centre.
- 5.16 If the BID is approved then as an occupier of 15 hereditaments in the BID boundaries, the Council will also be subject to the levy, estimate to be in the order of £31,000 per annum (against a total approximate levy income of £410,000).
- 5.17 The Revenues Service is currently drafting an Operating Agreement between the proposed BID and the Council. This sets out how the BID levy will be collected and returned to the BID along with any charges. The draft document will be available to be viewed by voters prior to ballot. It is highly likely that the payment method will involve issuing payments to the Slough BID monthly in arrears based on what has been collected to ensure that all the risk is not on the Authority. To follow the current Council's business rates collection procedures, the BID levy bill will be included in the same bill as the business rates. The levy will be clearly stipulated to ensure that levy payers differentiate between the business rates and BID levy.

### Baseline Service Agreements

- 5.18 Revive & Thrive are required to assess the levels of service which are currently provided by the public sector in the town centre including services provided by Thames Valley Police and the Royal Berkshire Fire & Rescue Service. This process involves several Council services to complete a baseline service agreement proforma template. Services such as Licensing, Trading Standards and Food Safety have been collating all the necessary information. The baseline service agreements are a formal requirement for the BID consequently these will be submitted to the Secretary of State before the ballot papers are issued in May 2019.

5.19 The key dates for the BID development are as follows:

|                                     |                  |
|-------------------------------------|------------------|
| Notification to Secretary of State: | 21 February 2019 |
| Request to Council to hold ballot:  | 21 February 2019 |
| Notice of Ballot:                   | 16 May 2019      |
| Issue of ballot papers:             | 30 May 2019      |
| Day of Ballot:                      | 27 June 2019     |
| Ballot result announced:            | 28 June 2019     |
| End of appeal window:               | 25 July 2019     |
| Likely BID start date:              | 1 April 2020     |

If approved, Slough town centre will begin to benefit from this new investment from April 2020, in a similar way that other town and cities are already doing across the U.K.

## 6 **Comments of Other Committees**

This report has not been considered by any other committees.

## 7 **Conclusion**

By approving the recommendations outlined in section 2, the Council would be demonstrating its support to the implementation of a BID for Slough town centre to deliver improvements to the area thus creating an environment in which businesses can thrive and residents can visit, work and play. A BID means that local businesses would have more influence over the trading environment they know so well and would be better placed to respond to challenges and opportunities in the years ahead.

## 8 **Appendices Attached**

'A' - Slough BID Feasibility Study, July 2018

## 9 **Background Papers**

'1' - Draft Slough BID Proposal, February 2019