

<b>COMMITTEE:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>6 February 2002</b>
<b>SUBJECT:</b>	<b>BUSINESS IMPROVEMENTS DISTRICTS (BIDs)</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF PLANNING, REGENERATION &amp; AMENITIES</b>
<b>Ward(s):</b>	All
<b>Purpose:</b>	Introduce Cabinet to the concept of Business Improvement Districts (BIDs) for Eastbourne, demonstrate their potential for improving the business competitiveness of the town, and seek approval for development work.
<b>Contact:</b>	Norman Kinnish, Director, Planning Regeneration & Amenities. Tel: 01323 415008 or internally on extension 5008.
<b>Recommendations:</b>	<b>That Cabinet agrees to launch the concept of BIDs to the local business community, work jointly with stakeholders to develop emerging proposals.</b>

<b>1.0</b>	<b><u>Background</u></b>
<b>1.1</b>	The concept of Business Improvement Districts (BIDs) was developed in America where they have been a very successful tool in urban regeneration.
<b>1.2</b>	The American model forms the basis for a proposal that is featured in the December 2001 Local Government White Paper. It is likely to be introduced into a future parliamentary session, as it is not currently legislation in England.

1.3	Business Improvement Districts are intended to business lead. The principle aim of a BID is that Business Ratepayers in an area form a partnership to deliver development or improvement via an agreed supplementary rate that is collected for them by the Council and given to the BID Partnership to spend on the priorities they have agreed.
1.4	Typically, in America, BIDs spend their resources on a wide range of activities including additional maintenance of public areas, additional police patrols and neighbourhood wardens. Innovative BIDs have also become involved in the promotion and marketing of their areas and attracting inward investment, although this list is not exhaustive. Over 1200 BIDs have been established in United States and Canada.
1.5	This type of expenditure is already established within the Town Centre Management movement (TCM) throughout the UK but the American format addresses the issue of “free riders”, i.e. businesses who benefit from the initiative but who do not contribute.
1.6	Fundamental to the BID concept is a proposal agreed by a BID steering group of what is to be implemented, and a democratically held referendum of all businesses in the area in which the proposals have to gain a 51% ‘Yes’ vote. An abstention counts as a ‘Yes’ vote.
1.7	Earlier this year, the Prime Minister, announced that BIDs are to be taken forward in England, building on the successes in USA, and adapting their criteria to take forward a supplementary rate in a Green Paper with a proposed launch date of April 2004.
2.0	<b><u>What is a BID</u></b>

2.1	<p>As envisaged by the Government a BID is a real partnership between local authorities, businesses and other partners, to raise funds through an additional rate for use in the community. A BID also offers:</p> <ul style="list-style-type: none"> <li>· A strictly local agreement, where a levy is charged, based on pre agreed factors.</li> <li>· A system of ensuring all properties within the BID area must contribute - including empty units - thereby removing “free riders”.</li> <li>· A funding source for a wide range of local initiatives.</li> <li>· A mechanism for regeneration, but not replacement of core services.</li> <li>· A system with voting safeguards aimed at protecting local statutory plans where BID packages can be raised by either party - preferably in partnership.</li> <li>· An opportunity to strengthen local council/ business partnerships.</li> </ul>
3.0	<p><b><u>Who is involved in a BID?</u></b></p>
3.1	<p>The local authority, as a partner and the billing authority. As the most effective collector of business and council tax, it is seen as the most cost efficient means of BID rates collection.</p>
4.0	<p><b><u>Local businesses.</u></b></p>
4.1	<p>As the BID funds can come from one area, but relate to another, other local partners can participate including voluntary groups/community groups and cross authority groups.</p>
5.0	<p><b><u>Potential for Eastbourne</u></b></p>

5.1	There are a number of projects that could benefit for the BID approach:
6.0	<b><u>Tourism Marketing</u></b>
6.1	Tourism businesses could introduce a proposal to raise a rate to market the town to visitors.
7.0	<b><u>Seafront Strategy</u></b>
7.1	Affected businesses could raise funds to implement the Seafront Strategy thus raising the competitiveness of their own operations.
8.0	<b><u>TCMI</u></b>
8.1	The initiative could use this resource to implement the changes spelled out in the business plan
9.0	<b><u>Industrial Estates</u></b>
9.1	Businesses could use these resources to implement travel plans, pay for an Industrial Estate Co-ordinator or introduce recycling initiatives.
10.0	<b><u>Housing Strategy</u></b>

10.1	<p><b>Additional funds could be identified to market empty properties for occupation and/redevelopment and to improve take-up of improvement grants</b></p> <ul style="list-style-type: none"> <li>▪</li> </ul>
11.0	<p><b><u>Financial Implications</u></b></p>
11.1	<p>Financially these proposals would affect principally the businesses that contribute. For the Council, the costs of running the referendum and actually collecting the levy would very likely fall on the Council but it is unclear at this stage if our SSA would be increased to reflect this expenditure. Experience shows that in the USA an average BID takes approximately two years from concept through to funding.</p>
12.0	<p><b><u>Human Resource Implications</u></b></p>
12.1	<p>At this stage it is anticipated that the Regeneration Team will promote this concept to local business organisations and partnerships encouraging them to work with the Council and other stakeholders to work up BID proposals as the Government develops the concept and rolls it out.</p>
13.0	<p><b><u>Environmental Impact</u></b></p>

13.1	It is intended the BIDs will make a major contribution to enhancing the Borough's environment.
14.0	<b><u>Anti Poverty Implications</u></b>
14.1	BIDs will ensure a stronger local economy, with local funding used to address key local issues.
15.0	<b><u>Youth</u></b>
15.1	BIDs, have the potential to address various issues with a variety of local incentives which may assist young persons.
16.0	<b><u>Human Rights</u></b>
16.1	No adverse implications.
17.0	<b><u>Proposal</u></b>
17.1	It is clear that BIDs could have a significant effect on Eastbourne which would be very beneficial. In order to prepare for this proposal becoming law, I recommend that the Council launch the concept to the local business community and work up the emerging proposals with the relevant stakeholders, which could include Eastbourne Reborn, Hotels' Association, Town Centre Management Initiative and Chamber of Commerce.
18.0	<b><u>Summary</u></b>

<p><b>18.1</b></p>	<p>Although the entire concept of BIDs is at the development stage, further research is vital to ensure Eastbourne can benefit from locally created funds for use in key identified areas for the benefit of the community.</p>
<p><b>Norman Kinnish</b>  <b>Director of Planning, Regeneration &amp; Amenities</b></p>	
<p><b>Background Papers:</b>  Local Government White Paper December 2001 “Strong Local Leadership – Quality Public Services”.</p>	
<p>Nk/gck/reports02/cabinet/bids21.2.02</p>	