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| Report to: | Cabinet |
| Date: | 7 February 2024 |
| Title: | Your Eastbourne Business Improvement District Renewal proposal 2024/25 |
| Report of: | Robert Cottrill, Chief Executive |
| Cabinet member: Councillor | Councillor Robin Maxted, Cabinet Member for Finance and Resources |
| Ward(s): | Devonshire, Upperton and Meads |
| Purpose of report: | To outline the process for Your Eastbourne Business Improvement District (BID) to carry out a ballot in July 2024 |
| Decision type: | Key Decision |
| Officer recommendation(s): | <p>(1) To approve the BID ballot and the Council’s Returning Officer (as ‘ballot holder’) to proceed with the ballot</p> <p>(2) To give the Director of Finance and Performance delegated authority to vote in the ballot on behalf of the Council</p> <p>(3) To give the Director of Finance and Performance delegated authority to approve the BID proposal and Operating agreement</p> <p>(4) To agree the expected costs of the ballot (c.£5,485) will be met by the Council</p> <p>(5) To agree that the Council will pay the estimated annual BID levy cost (c.£10,197) for Council owned properties within the BID boundary</p> <p>(6) To note that the Council’s reasonable costs of collecting the levy and the associated financial management costs will be recoverable from the BID levy monies,</p> <p>(7) To note that the Council’s Returning Officer is permitted to delegate his responsibilities to others and that he has engaged the services of Civica to undertake the ballot on his behalf</p> |
| Reasons for recommendations: | To set out the specific role of the Council and its responsibilities in relation to the ballot and to note and agree the associated costs of the ballot as well as the ongoing administration of the BID levy |

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1 Introduction

- 1.1 In July 2019 a ballot took place to establish the first Business Improvement District (BID) for Eastbourne Town Centre. Of those businesses and organisations that voted in the ballot 68% voted in favour of establishing the Eastbourne BID.
- 1.2 Following the ballot a BID company was established, Your Eastbourne BID Limited which is a not for profit company limited by guarantee and is independent of the Council. The company appointed Directors to a board who were responsible for implementing the BID proposal and plan.
- 1.3 The BID went live on 02 September 2019 with all businesses within the BID boundary with a Rateable Value equal to or greater than £6,000 are liable for a levy of 1.5%. There is also a discount of 15% for Beacon shopping centre service charge payees in recognition of their existing payments towards marketing and security. The annual income from BID levy payments is on average £330,000 per annum.
- 1.4 Over the past four years the BID has been responsible for delivering a number of initiatives to help improve Eastbourne Town Centre and to support businesses.

The BID focus on four major priorities: Dressing the Town, Safe and Security, Footfall and Lobbying and have achieved considerable success under each of these categories. A copy of the latest annual report is part of Appendix 1.

Since 2014, the BID has:

Dressing the Town:

- Installed and replaced 1.5km of bunting in the area to improve the street scene
- Installed evening lighting to brighten the town centre, whilst also providing additional security
- Installed numerous lamppost dressing schemes, including supporting the Jubilee and Coronation celebrations, shopping destinations and attractions as well as the Turner Prize
- Installed vinyls in shop windows including Closs and Hamblin and Debenhams to reduce the impact of unsightly empty units
- Installed and maintained 60 planters across the town centre

Safe and Secure:

- The BID has installed a number of CCTV cameras and works closely with the Business Crime Group and Rough Sleeper Initiative to tackle crime and deter shop lifting
- The BID employs an ambassador who supports the police and town centre security team. As of September 2014, they have recovered over £14,000 of stolen goods, responded to 2,000 calls and successfully been involved in 50 arrests
- The BID fund an outreach facility, which supports the homeless community at the weekend
- They partnered with us to launch Best Bar None, to support the nighttime economy in the town.

Footfall and Events:

- The BID has also organised a number of events within the town centre, including the major Christmas activities since 2019. Events have included:
 - The Victoria Place pop up park has taken place over the summer for the last three years, and was instrumental in demonstrating to traders, residents, visitors and the Government of the viability of pedestrianisation
 - The Ice Rink has been in operation in 2021 and 2022 by Your Eastbourne BID, and as a result of the success, in 2023 was transferred to a third party operator
 - The jubilee celebrations, where traders stated that it was the busiest ever trading day

Lobbying:

- The BID has been highly successful in a number of lobbying activities, and has been a key partner for Eastbourne Borough Council and at times has acted as a critical friend.
- The BID supported the Council as it launched the COVID business grants, meeting with businesses and offering 1:2:1 support. According to the BID this unlocked over £1mil of funding for businesses
- The BID was also successful in working with the Council to administer the Welcome Back Fund

2 Proposal

- 2.1 The maximum period that a BID levy can be charged is 5 years. Once the term is completed the BID will automatically cease. If the BID company wants to continue its activities it must hold a new ballot. Your Eastbourne BID Limited have formally written to the Council to confirm that they want the Council to host a second ballot in July 2024.
- 2.2 The BID regulations (2014) require Your Eastbourne BID Limited to formally notify the Secretary of State for Levelling Up, Housing and Communities their intention to hold a ballot with a copy sent to the Council as the statutory

organisation responsible for delivering the ballot. Formal notification must be sent 84 days before formal request to the Council to proceed with the ballot.

- 2.3 The 'ballot holder' is the Council's Returning Officer. The conduct of BID ballots is relatively complex. For these reasons, and also to ensure independent scrutiny and secrecy of the ballot process, Civica (formerly Electoral Reform Services who ran the ballot in 2019) will be engaged to undertake all aspects of the ballot process.
- 2.4 If the majority of voters who vote in the ballot, both by aggregate rateable value and number voting, support the proposal then the BID will formally start its second term in September 2024.
- 2.5 The BID boundary in which all businesses are expected to pay the levy is influenced by a range of factors including rateable values, location of hereditaments and the potential impact these have on both the outcome of the BID ballot and potential levy income. It is important the proposed BID area achieves the right balance across these factors.
- 2.6 Following a review by the BID company of the current boundary it is proposed that the BID area will be further extended to include 'Devonshire Quarter'. The proposed extended boundary is included in Appendix 2. It is anticipated that by extending the BID area it will deliver the following benefits to businesses within the BID area:
- We understand that this will help link up with the levelling up fund, which links the Downs to the Towner Gallery and the Town Centre
 - It will support the cultural revival of the town and the town centre, allowing for greater collaboration within the town centre and partnership working
 - It will allow for greater promotion of events and activities in the DQ area, including the tennis, Towner Gallery, theatres and conferences

Whilst the BID has started consultation work in this area, this proposed expansion is subject to ongoing consultations with businesses within the area.

- 2.7 Two legal agreements between the Council and the BID company will need to be reviewed and agreed in respect of the Council's obligations to collect the BID levy. The Baseline Agreement sets out the existing level of service provision from the Council, Police and other public agencies to ensure that the BID proposals add added value by showing what level of service provision local stakeholders are already receiving from the Council and what additional service provision they will receive through the BID term such as highways, street cleansing, parking and CCTV. The Operating agreement establishes the procedure for setting the levy, responsibilities of the Council to collect the levy and mechanisms in which to do so and the procedures for accounting and transference of the BID Levy,
- 2.8 The Baseline and Operating Agreements are likely to remain broadly the same as now, however a more detailed review will take place should the ballot be successful in July 2024, with both being signed off ahead of the new BID term commencing in September 2024.

2.9 The priorities for Your Eastbourne BID second term have started to be identified through ongoing consultation with businesses and stakeholders. Whilst the consultations are ongoing, the main priorities for the next 5 year term will be:

- To provide continual improvements to the town centre street scene, including additional evening lighting, planters and a campaign to tackle empty shop units
- To provide additional security and safety facilities in the town centre
- To lobby, and provide an important, independent voice for the town centre business community
- To provide a calendar of events to support the town centre and increase footfall, whilst promoting the benefits of shopping locally

3 Timetable

3.1 A summary of the key dates is given below –

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|---------------------------------------|-------------------|
| Notice to Secretary of State | 18 March 2024 |
| Publication of notice of ballot | 12 June 2024 |
| Ballot papers issued | 28 June 2024 |
| Ballot closes | 25 July 2024 |
| BID levy billed and collection starts | 03 September 2024 |

4 Consultation

4.1 The consultation process for a second term is underway within the existing and extended BID area.

They have begun both in person and online. The BID company sent a postal survey to all businesses within the area, asking for their feedback on the BID and priorities for the future online. This has indicated a strong desire for the BID to continue for a second term.

BID company representatives have also met formally on a 121 basis with 99 businesses and organisations within the BID area, 93% of whom have stated that they would support the BID into re-ballot. Further consultations are taking place until the ballot date.

4.2 Consultations will continue with the business community up to the ballot and Council officers are being updated as the plans develop with regular monthly meetings.

5 Corporate plan and council policies

5.1 The Corporate plan for 2024-28 has four areas of focus. One of the four themes focus on Economic Development and Tourism. Key areas of focus for the Council which will be of benefit to businesses within the BID area include:

- the delivery of a new overarching strategy for tourism, income and diversification

- partnership working in the Town Centre including through Your Eastbourne BID Limited
- continue to improve the public realm in the town centre to provide a continuous pedestrian link between the rail station and the seafront
- support the drive for high speed rail services to the town whilst also continuing to lobby government for improvements to the A27

5.2 The Employment Land Local Plan (ELLP) guides job growth and economic development in Eastbourne up to 2027. The operation of the BID within the Town Centre and ‘Devonshire Quarter’ supports meeting some of the objectives within the plan:

- ELLP1 – stimulate economic growth
- ELLP2 – encourage small and start up businesses
- ELLP4 – support existing businesses

6 Business case and alternative option(s) considered

6.1 The alternative option would be to not have a Town Centre BID.

7 Financial appraisal

7.1 The Business Improvement Districts (England) Regulations 2004 require the Council to pay for the ballot, which is only recoverable in the event of a very low turnout of votes supporting the BID proposal. The estimated ballot cost is £5,485 which will be met from the Electoral Services budget.

7.2 Under the BID regulations the Council is permitted to charge a reasonable fee for this service and the recommended industry standard is no more than 3%. It is proposed that the Council recover its reasonable costs of administering and collecting the levy. It is recommended a sum of no more than 3% of the levy income based on an estimated annual income of £300,000 would amount to approximately £9000 per annum. Any costs incurred over and above this sum would have to be met by the Council.

7.3 The Council will be required to pay the annual BID levy fee for 13 properties situated within the BID boundary over 5 years. The combined Rateable Value of the properties is £680,000 and the estimated annual BID levy cost is c. £11,000.

8 Legal implications

8.1 Business improvement Districts (BIDs) are regulated by the Local Government Act 2003 (“the Act”) and 2004 and 2014 Regulations, which set out the process for a BID ballot to be held for the BID to be formally established, renewed and/or altered.

8.2 Your Eastbourne BID Ltd, as the BID proposer must give at least 84 days’ notice to the Secretary of State to request the Council’s ballot holder to hold the BID ballots. Your Eastbourne BID Ltd will give notice on 18 March 2024 requesting for the BID ballot is held on 28 June 2024 and 25 July 2024.

- 8.3 Under s.51(2) of the 2003 Act, the Council may, in the circumstances prescribed by regulation 12 of the 2004 Regulations, veto the BID proposals within 14 days of the ballot where those proposals were approved by a majority of the non-domestic ratepayers entitled to vote.
- 8.4 The Council may veto the BID where it is of the opinion that the plan is likely:-
- a. to conflict to a material extent with any existing formally adopted Council policy
 - b. to be a significantly disproportionate financial burden on any business or class of businesses (as compared to other non-domestic ratepayers in the BID area) and:
 - i. that burden is caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and
 - ii. that burden is inequitable

In due course, the Council will take legal advice on the required Operating Agreement and Baseline Agreement.

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9 Risk management implications

- 9.1 There is a risk that the additional levy costs in addition to annual business rates charges to the backdrop of the cost of living crisis and inflationary pressures could mean that there is insufficient support for the establishment of a second 5 year term.

10 Equality analysis

- 10.1 The areas over which the BID company seeks to charge a levy is determined by them in consultation with local businesses, and does include all sizes and types of businesses, from multi-nationals to sole traders.
- 10.2 The Council has satisfied itself that the BID Business Plan does not conflict with any existing local authority policy nor propose a disproportionate burden on particular businesses by way of an unfair levy charge on a certain 'class' of levy payers, for example by an inappropriate manipulation of the BID boundary.
- 10.3 The events and activities that Your Eastbourne BID Limited deliver are varied, inclusive and aimed at attracting a diverse audience.

11 Environmental sustainability implications

- 11.1 Consultations are currently ongoing with businesses within the BID area, however, the BID company has made it clear that it would support and ensure that it was a carbon neutral BID by a third term ballot, expected in 2029, similar to other BIDs across the UK.

12 Appendices

- Appendix 1 – BID Annual Report

- Appendix 2 – Extended BID area map

13 Background papers

The background papers used in compiling this report were as follows:

- [Business Improvement Districts - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [Business Improvement Districts: guidance and best practice - GOV.UK \(www.gov.uk\)](http://www.gov.uk)