

Westmorland and Furness Council

Report Title:	Penrith Business Improvement District Ballot June 2023
Meeting:	Cabinet
Meeting Date:	6 June 2023
Report Author:	Angela Jones, Director of Thriving Places
Lead Cabinet Member(s):	Jonathan Brook – Leader of the Council
Wards Affected?	Penrith North and Penrith South
PUBLIC, PART EXEMPT OR FULLY EXEMPT	Public
List of Appendices (if any)	Appendix 1 - Penrith BID Business Plan

1. Executive Summary

- 1.1 As a non-domestic ratepayer within the Penrith Business Improvement District (BID) area, the Council is entitled to vote in the upcoming ballot on 28 June 2023. This report provides information to support members in their decision on the use of the Council's voting entitlement in the renewal ballot.

2. Recommendation

For the reasons set out in this report, it is recommended that -

- 2.1 Cabinet members agree to use the council's voting allocation in favour of a third term of Penrith BID.
- 2.2 The Chief Legal and Monitoring Officer is authorised to complete the ballot papers accordingly with a yes vote and submit them by the end of the ballot period on 28 June 2023.

3. Information: the Rationale and Evidence

- 3.1 A Business Improvement District, or BID, is a defined area in which businesses and the local authority agree to work in partnership to develop projects and services that will benefit the trading environment. BIDs are based on the principle of charging an additional levy (typically 1% to 2% of rateable value) on business ratepayers in a defined area following a positive majority vote by those ratepayers. These funds are used to carry out projects and initiatives within the defined BID area.
- 3.2 Each term of a BID is 5 years and a ballot must be undertaken to renew a BID for a further 5 year term. For the BID to be renewed, two threshold tests have to be met in the ballot:
- More than 50% of votes cast (turnout) must be in favour of the BID; and
 - The positive vote must represent more than 50% of the Rateable Value (RV) of the votes cast.

- 3.3 The Business Improvement District was originally established in Penrith in 2013, and ran for a 5 year period until 2017. A renewal ballot took place in November 2017 confirming a second term of 5 years running until 31 March 2023.
- 3.4 A renewal ballot for a third term took place on 30 November 2022. Eden District Council's cabinet members voted yes in respect of the Council's properties. The ballot was not successful as although the majority of businesses voted yes, the positive votes did not represent more than 50% on the rateable value of the votes cast.
- 3.5 Penrith Business Improvement District have proposed another ballot on 28 June 2023, if this is not successful then they are not proposing any future ballots.
- 3.6 The BID have notified the Local Authority and Secretary of State of this proposal in the timescales required by the BID regulations. As the Council's duly appointed Returning Officer and therefore the Ballot Holder for this ballot, the Chief Executive has outsourced the ballot process to Civica Election Services.
- 3.7 The BID have prepared a business plan to address the top priorities identified through consultations with businesses in the town. It is considered that the proposals as set out in the renewal bid are in compliance with statutory requirements and not in conflict with formally adopted and published Council policy. A copy of the BID Business Plan is attached as Appendix 1 for information.
- 3.8 The business plan builds on the work undertaken by Penrith BID over its 10 year term. Responsibility for the delivery of the BID over the last 10 years has rested with a small BID management board made up of local business owners.
- 3.9 The BID Business Plan 2023-2028 sets out the BID's intention to focus on four significant areas of activity:
- Promote Penrith – as a destination town to shop, live, work and visit
 - Events in Penrith –to help raise the profile of the town and put Penrith 'on the map'
 - Enhance Penrith – to ensure the town is clean, accessible and visually appealing to residents and visitors.
 - Partnership Penrith – to continue to represent the needs and aspirations of town's business community.
- 3.10 Key objectives of the 2023-28 BID business plan include:
- To raise the profile of Penrith, increasing footfall and visitor spend through improving current marketing initiatives.
 - To create a vibrant town centre that gives people a reason to visit by delivering new and innovative free events and trails.
 - To create an attractive, appealing and accessible town to help increase dwell time of visitors through enhanced planting installations, lighting and signage.

- To continue to build, through the BID, an effective partnership between the town's businesses, organisations and local authorities including Westmorland and Furness Council for the benefit of Penrith town centre

- 3.11 For the smallest business premises with a Rateable Value below the £4,000 threshold there will be no compulsory charge for the activities of the BID, but voluntary contributions will be encouraged.
- 3.12 There are 13 Council owned properties/land holdings at present with a rateable value over £4,000 which would be subject to the BID levy with a total rateable value of £423,400 as follows:

Address	Current Rateable Value £
Tourist Information, Middlegate	13,250
Mansion House, Friargate	58,500
Car Park, Sandgate	25,500
Public Conveniences, Little Dockray	5,200
Bus Station, Sandgate	6,500
Town Hall, Corney Square	71,500
Car Park, Princes Street	9,600
Car Park, Bluebell Lane	37,750
Car Park, Drovers Lane	17,500
Voreda House	76,500
Brunswick School	32,750
Penrith Library	64,000
Unit 1, 5 Corney Square	4,850
Total	423,400

- 3.13 If the BID Renewal Ballot is successful, the rates liability falling on the Council as a result of being a non-domestic ratepayer reflecting a 1.5% levy would be £6,351 per annum for five years.
- 3.14 There is no guarantee that a BID Renewal Ballot will be successful. If there is a 'no' vote any remaining funds from the second BID term will be returned to the council who will distribute it back to levy payers under the procedure detailed in the 2004 BID regulations.
- 3.15 Cabinet members can choose whether to vote yes or no in terms of the Council's properties or abstain from the vote. It is recommended that members agree to use the council's voting allocation in favour of Penrith BID renewal.

4. Link to Council Plan Priorities: (People, Climate, Communities, Economy and Culture, Customers, Workforce)

- 4.1 The Council Plan prioritises confident, empowered resilient communities. Penrith BID provides a voice for town centre businesses and an organisation that the Council can work closely with, whilst the levy money enables the BID to shape what the businesses want to do in the town. The work of the BID will help to support Penrith as local service centre to serve the needs of the community.
- 4.2 The Council plan prioritises sustainable, inclusive, economic growth. Penrith BID activities will support business creation, cultural economy and protect jobs within the town centre and supporting the services which underpin the quality of life of our residents.

5. Consultation Outcomes (with services, ward councillors & public consultation where required)

- 5.1 Penrith Ward Councillors and the Lead Cabinet Member have been consulted. All responses received have been positive regarding the work of the BID and the proposal for the Council to vote yes.

6. Alternative Options Considered

- 6.1 The Council could vote no. The aims of the Penrith BID are in line with those of the Council so it is recommended that the Council is supportive of the BID renewal.
- 6.2 The Council could abstain from voting. Although the Council would be seen as taking a neutral position on the final outcome and is supporting the position that the BID is business led, this option would not be recommended. In a close contest the BID Renewal could fail under ballot as the number of hereditaments and weight of rateable value of the council's properties may not support a 'yes' vote.

7. Financial Implications and risk

- 7.1 The Council is expected to cover the costs of holding a ballot but as set out within the report, if the number of persons voting in favour is less than 20% of the number of persons entitled to vote in the ballot, the Council has the option to recharge those costs to the BID.
- 7.2 Further resourcing implications arise from the billing and collection elements of the BID levy. The Council will recharge this cost to the BID at circa £5,000 a year. The Council shall use all reasonable endeavours to recover the enforcement expenses from the liable BID Levy Payer but it should be noted that the Council shall not be entitled to recover enforcement expenses from the BID.
- 7.3 If the renewal ballot is successful, the rates liability falling on the Council as a result of being a non domestic ratepayer reflecting a 1.5% levy is £6,351 per annum for five years.

8. Legal & Governance Implications

- 8.1 The Chief Executive as the ballot holder may appoint one or more persons to discharge all or any of his functions under the Regulations. Civica Election Services have been appointed to conduct the ballot. The ballot itself will be secret and, while Civica will conduct the ballot, its conduct is still the responsibility of the ballot holder. The ballot holder cannot reveal how individual ratepayers voted, but during the 28 day ballot period the Penrith BID is allowed to encourage businesses to vote.
- 8.2 A BID Renewal if approved after a ballot will require amendments to the current legal agreements, developed for the purposes of formalising arrangements between the Council and the BID delivery body, to reflect the renewal.
- 8.3 Should there be a successful ballot the levy will continue to be a statutory debt subject to the usual principles of rate collection, reminder notices and enforcement action for non-payment. The first point of contact for businesses with billing questions will be the Council, rather than the BID delivery body.
- 8.4 The Council, as billing authority, has the power to veto a final BID Renewal proposal where it conflicts with any locally adopted policies and/or plans. As noted in the report, use of the veto is considered unnecessary as the proposals are in compliance with the legal requirements of the BID regulations and are not in conflict with adopted Council policies.

9. Human Resources Implications

- 9.1 Officer time will be necessary in order to prepare a voter list, arrange for the ballot and to liaise with the Business Improvement District Board.
- 9.2 The Council will be responsible for the administration of the BID levy, covering all aspects of billing, collection and enforcement. As with previous terms, billing costs will be recovered from the BID but enforcement costs cannot be recovered from the BID.

10. Equality & Diversity Implications (including the public sector equality duty, Armed Forces Families, Care Leavers and Health inequalities implications)

- 10.1 There are no equality and diversity implications arising from the report.

11. Background Information & Sources (used in preparation of this Report)

- 11.1 Previous reports to Eden District Council's Cabinet in relation to Penrith Business Improvement District were used in the preparation of this report.