

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 05 June 2017

Portfolio:	Policy and Resources
Subject:	Renewal of Business Improvement District - Segensworth
Report of:	Director of Planning and Regulation
Strategy/Policy:	Corporate Strategy
Corporate Objective:	Maintain and Extend Prosperity

Purpose:

This report outlines the provision for a ballot and subsequent levy collection arrangements necessary to renew the Business Improvement District at Segensworth.

Executive summary:

The Segensworth Business Forum (SBF) established a Business Improvement District (BID) at Segensworth for a five year period commencing in July 2007. The BID was renewed following a ballot held in July 2012 and a further BID proposal has now been submitted.

The renewal of the BID will necessitate another formal ballot of the businesses in the Segensworth area. A positive vote would enable the continuation of the voluntary business levy to fund projects identified by the business community. The ballot and the levy collection processes will require contributions of time and resources from Fareham Borough Council.

Recommendation:

That the Executive:

- (a) notes the success of the Segensworth Business Improvement District in achieving business collaboration, funding the provision of local infrastructure, generating local business services and contributing to the success of the Fareham economy;
- (b) agrees that the Segensworth Business Improvement District will be administered by Fareham Borough Council including the running of the ballot and the collection of the subsequent levy, subject to a positive ballot result; and

- (c) agrees to request a proportional annual contribution of £300 from Winchester City Council and to meet the remainder of costs from the General Fund, which will be a demonstration of ongoing support of the BID and the benefits brought to the Segensworth area and its businesses.

Reason:

To facilitate investment by the business community in the Segensworth area via the mechanism of renewing the Business Improvement District.

Cost of proposals:

The contribution of Fareham Borough Council to facilitate the ballot (as required by the Business Improvement Districts (England) Regulations 2004), can be accommodated within existing resources and the annual costs of levy collection will be met by a financial commitment of £5,000 from the General Fund.

Background papers: File of correspondence from Segensworth Business Forum incl. BID Proposal 2017

Reference papers: Business Improvement Districts (England) Regulations 2004
Report to Executive 4 April 2011- Renewal of Business Improvement District - Segensworth

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Executive Briefing Paper

Date:	05 June 2017
Subject:	Renewal of Business Improvement District – Segensworth
Briefing by:	Director of Planning and Regulation
Portfolio:	Policy and Resources

INTRODUCTION

1. The Segensworth Business Improvement District (BID) is due for renewal in July 2017.
2. The process of balloting and levy collection will require the input of officer time and financial resources from Fareham Borough Council and Winchester City Council.

REGULATIONS

3. The Business Improvement Districts (England) Regulations 2004 make provision for the creation and renewal of business improvement districts. BIDs are provided for in Part 4 of the Local Government Act 2003 as areas within which projects specified in the BID arrangements are to be carried out for the benefit of that district or those who live, work or carry on any activity in the district. Those projects are to be financed (in whole or in part) by a BID levy imposed on the non-domestic ratepayers, or a class of such ratepayers in the district. A business improvement district may only be established where those entitled to vote approve the BID proposals.
4. Any expense incurred in relation to the holding of a ballot under the BID Regulations is to be met by the relevant billing authority (Regulation 20). There is no provision in the regulations for recovering the costs, except in circumstances where there is a “no” vote and less than 20% of those entitled to vote have voted in favour or where the Secretary of State declares a BID ballot void (Regulation 10).

The Regulations also provide for administration of the BID levy (Regulation 15), requiring the billing authority to keep a BID Revenue Account carrying to the debit of the account an amount equal to the expenditure of the authority for the year in respect of the BID arrangements. Hence the expenditure of the authority in respect of the BID arrangements could be recovered from the BID levy, but the Executive has not previously sought to recover these costs from the Segensworth Business Forum.

HISTORY AND ACHIEVEMENTS

5. The Segensworth Business Forum (SBF) was formed in 2005 with the aim of identifying common business issues and undertaking projects identified by the business community. In 2007 the SBF successfully promoted the Segensworth BID to the 246 separately rated business premises in the defined area that includes businesses falling in both Fareham and Winchester Council areas.
6. In April 2006, the Area Investment Framework (AIF) for Southeast Hampshire agreed grant funding for the appointment of a project manager to work with the SBF to undertake the preliminary work to pave the way for the creation of a BID at Segensworth.
7. In May 2006 a BID Project Manager was appointed with the task of marketing the project to the business community, building business support, generating a business plan to respond to the priority issues identified and preparing the way for a successful vote in favour of the BID levy. The project manager reports to a steering group of businesses, also attended by local authority representatives, that has established a series of task groups to prepare Transport, Environment, Security and Shared Services proposals for the business plan.
8. The current BID business plan was adopted by SBF in 2012 following the ballot to renew the BID in July 2012. The voting produced a majority in favour of the BID in terms of both business numbers and rateable value in both the Fareham and Winchester areas:

Within FBC - 87% in favour (105 of 279 business premises (45% turnout)

Within WCC - 100% in favour (6 of 15 business premises (40% turnout)

9. The BID levy has yielded approximately £190,000 per annum over the five years period of the project to fund the implementation of the business plan. The BID has implemented a broad programme of projects that has benefitted both the business community and the general area and SBF has become a substantial business lobby.
10. The annual levy for both Fareham and Winchester areas is collected by Fareham Borough Council and transferred directly to the SBF in accordance with the Executive decision in April 2011.

PROPOSAL - BUSINESS IMPROVEMENT DISTRICT - RENEWAL

11. The Segensworth BID expires in July 2017 unless a successful renewal ballot enables the project to continue. The SBF has indicated that it wishes to seek to renew the BID on the basis of a revised business plan. In essence, this involves securing business agreement to a further program of projects for the area that would be funded by a business levy additional to the normal business rates. The resultant revenue generation would fund a program of investment that would be additional to any local authority spending commitments in the area. The decision to renew the BID rests with the businesses themselves; a majority of the businesses must vote in favour (by number and by rateable value).
12. The BID project has brought significant investment in and benefits to the Segensworth Business Area. The BID helps create confidence in the prospects for regional growth through the self-investment of businesses in their business park. The proposed business plan for 2017 - 2022 includes four themes for improvement:

- Developing initiatives to improve transport and access, and safeguard the interests of the Segensworth Estates as transport proposals develop;
 - Increasing business security and preventing crime;
 - Providing a range of shared service support functions that will benefit all businesses;
 - Providing a focal point for communication both within the estates and with outside organisations.
13. The need for collaborative action was identified by the businesses themselves and has been supported by the three local authorities (Fareham, Winchester and Hampshire). The BID vehicle was selected to deliver the outcomes as it is a self-sustaining solution with the further benefit of the process being an equitable one as all businesses contribute and benefit. For the local authority the cost implications are minimal and the potential benefits are significant.
14. For the Borough Council, the renewal of the BID project will initially involve officer time and resources, as the responsible body for the organisation and administration of the ballot and, in the event of a vote in favour, the billing and collection of the levy.
15. The 2006 boundary of the BID remains unchanged with more than 90% of the businesses in the Fareham Borough area with the residue in the Winchester area; in total, there are 246 business premises involved. Whereas the scale of the task is relatively small, provision must be made to secure the necessary resources within election and revenues services.

FINANCIAL IMPLICATIONS

16. Any expenses incurred in relation to the holding of a ballot cannot be recovered but are not expected to be high; there will be costs for printing and postage, but the main cost, that of employee resources, could be met from the Council's existing budgets. There is no provision in the regulations for recovering the costs, except in circumstances where there is a "no" vote and less than 20% of those entitled to vote have voted in favour or where the Secretary of State declares a BID ballot void (Regulation 10).
17. The Regulations require the billing authority to keep a BID Revenue Account carrying to the debit of the account an amount equal to the expenditure of the authority for the year in respect of the BID arrangements. The expenditure of the authority in respect of the BID arrangements is currently estimated to be in the region of £5,000 per annum. As with previous BID periods, it is recommended that the financial commitment be met from the General Fund. It is worth noting that to date the Council has carried out balloting and billing on behalf of Winchester City Council without seeking to recover any costs.
18. The election and revenues services have been involved in the preparation of this report and there are ongoing discussions with the relevant services at Winchester City Council.

CONCLUSION

19. The Segensworth Business Forum has the opportunity to seek the renewal of its Business Improvement District to generate a regular stream of funding from the business community for the benefit of the business area. This presents the Council with the ongoing tasks of facilitating the ballot and collecting the levy. The Executive

is asked to approve making the appropriate provision in the General Fund as a demonstration of ongoing support of the BID and the benefits the BID has brought to the Segensworth area and its business community.

Enquiries:

For further information on this report please contact Claire Burnett (4330) or Leigh Usher (4553).