

<b>SUBJECT:</b>	<b>LINCOLN BIG BALLOT</b>
<b>DIRECTORATE:</b>	<b>COMMUNITIES AND ENVIRONMENT</b>
<b>REPORT AUTHOR:</b>	<b>SIMON WALTERS, STRATEGIC DIRECTOR OF COMMUNITIES AND ENVIRONMENT</b>

## **1. Purpose of Report**

- 1.1 To update Members on the Lincoln Business Improvement Group (BIG) ballot and highlight the potential impacts of a 'yes' and 'no' vote for the city. To also seek Executive views on how the nominated officer should vote in the ballot using the votes attributable to council properties within the Business Improvement District (BID) designated area.

## **2. Executive Summary**

- 2.1 Lincoln BIG will be undertaking their fifth voting process from September-November 2019 for their operational period July 2020-July 2025. An All Member workshop was held on 31<sup>st</sup> July 2019 where the full extent and remit of BIG operations were discussed, along with a vision for their future role within the BID levy area.
- 2.2 The views expressed in that workshop were very positive, and officer advice is to vote in favour of continuing with the BIG arrangement in the forthcoming ballot.

## **3. Background**

- 3.1 Lincoln BIG is a business controlled by a board of directors drawn from city centre stakeholders. As a founder member of BIG, the City Council has two representatives on the Board – Leader and Deputy Leader. Every five years business ratepayers in the city centre are invited to vote for the continuation of Lincoln BIG for the following five years. All business rate payers in the area have a vote on the proposals and to go ahead more than 50% of those who vote have to vote 'yes'. Those in favour must also represent at least 50% of the rateable value of those who vote.

- 3.2 Lincoln BIG last undertook the ballot in 2014, whereupon:

831 ballot papers were issued with 444 papers returned representing a turnout of 53.4%. These votes were made up as follows;

- 365 – Yes
- 69 - No
- 10 - Spoilt

The votes in favour excluding spoilt was 82.2%.

The rateable value of the 'yes' votes = £23,994,850  
The rateable value of the 'no' votes = £1,259,700

3.3 Lincoln BIG were therefore mandated to continue their work for the period 2015 - 2020.

#### **4. The BID Ballot Process- 2019**

4.1 The Council is obliged to supply information from its business rates records to allow BID promoters to canvass interest in a BID, and if a BID proposal is pursued, the Council's Returning Officer must arrange to ballot those businesses entitled to vote.

For the BID to succeed, more than 50% of those businesses that vote (both by number and rateable value) must vote in favour of the BID proposal. If more than 50% a "yes" vote is achieved, the BID levy is compulsory for all businesses in the BID area. Even if they voted "no", or declined to vote.

The cost of staging the BID ballot must be borne by the Council. However, if less than 20% of eligible ratepayers vote in favour of the proposals then the cost of the ballot can be recharged to the BID promoter. A recharge can also be applied if the ballot was unsuccessful or is declared void due to acts of omissions of the BID proposer/body. It is beholden on the BID promoter, therefore, to ensure that the BID has a reasonable level of positive support before calling the ballot.

4.2 The proposed timetable for the ballot in 2019 is;

- Notice of ballot – 24<sup>th</sup> September 2019
- Ballot papers out to eligible voters – 9<sup>th</sup> October 2019
- Close of ballot – 6<sup>th</sup> November 2019
- Count – after 5pm on the 6<sup>th</sup> November 2019

#### **5. The BID Levy Mechanics**

5.1 At 1<sup>st</sup> July 2020, the BID levy charge will be at 1% of the Rateable Value in the 2017 Non Domestic Rating List for the hereditament at the time of the proposal. Changes to the Rateable Value after 24<sup>th</sup> September 2019 are ignored for the purposes of the BID Levy Charge. The only exception to this is where the hereditament undergoes extensive work and the Valuation Office reduce the Rateable Value to either 0 or 1. Where this happens the Rateable Value for the BID Levy will also be reduced to 0 or 1, which effectively is an exemption on the BID Levy for this period of works.

If a hereditament is removed from the Non Domestic rating listings, it will be removed from the BID Levy. If a new hereditament is brought into the Non Domestic Rating list and a charge will be made for a BID Levy based on the new Rateable Value.

Hereditaments with a Rateable Value of less than £6000 in the Non Domestic Rating list for 2017 will not be charged, nor will they be able to vote.

- 5.2 Educational institutions will be charged the full 1% levy, whilst charity shops will be charged 0.5% of the BID levy. Managed shopping centre tenants will also only be charged 0.5% of the levy. It is anticipated that owners of managed shopping centres will continue to make additional contributions through the investor membership of Lincoln BIG.
- 5.3 It is proposed that the BID levy will be collected by the City of Lincoln Council. The BID levy for the period July 2020-July 2025 will be fixed based on the 2017 rateable value of property as at 24<sup>th</sup> September 2019 and any changes to the rateable value after this date will not affect the BID levy charged.

At a 1% BID levy the indicate costs to a business would be:

Rateable Value	Annual BID Levy for 20/21	Weekly cost for 20/21	Daily cost for 20/21
£6000	£60	£1.15	£0.16
£20,000	£200	£3.85	£0.55
£50,000	£500	£9.60	£1.37
£100,000	£1,000	£19.23	£2.75
£250,000	£2,500	£48.08	£6.89
£500,000	£5,000	£96.15	£13.74

In terms of impact, larger businesses with a rateable value between £100,000-£500,000+ will pay over 50% of the annual contribution, whilst the very smallest businesses with rateable values between £6,000-£10,000 around 4% of the total.

Once billed, the recovery of the Bid Levy follows the same legislation as the Non Domestic Rates. The Revenues and Benefits team at the City of Lincoln Council will continue to bill and collect the BID Levy. A recharge of £15,000 was made to the BID levy for the administration and recovery of their BID Levy in 2019/20. This charge will be reviewed as part of any associated SLA for the period July 2020 to June 2025.

## 6. All Member Workshop

- 6.1 On 31<sup>st</sup> July 2019 officers from Lincoln BIG and the City Council facilitated an ‘all member’ workshop to consider, analyse and review the proposed business plan for BIG covering the next five years. The meeting also examined the record of accomplishments of BIG over the previous five years. The material considered at that meeting is attached in **Appendix A**.

Members also briefly considered the impact of a “no” vote on both city centre vibrancy and the likely resultant impact on the city council itself. It was clear that the public would expect the council to step in to deliver many of the initiatives directly. As Members are aware, the current Medium Term Financial Strategy does not provide the necessary resources for the city council to do this.

- 6.2 There was unified consensus from attendees that the Council should use its votes to cast a ‘Yes’ vote. In addition, workshop Members recommended that the city council should finalise a new service level agreement with BIG defining the extent of city centre activity undertaken by the city council and hence agreeing areas where BIG can enhance that provision through its own operations. This work is

nearing completion and will be the subject of a future report to Executive.

## 7. Impact of an Overall 'Yes' Vote

7.1 As Members will note from **Appendix A**, the impact of a 'yes' vote will result in BIG focussing on three strategic areas of activity:

A. **Welcome** – co-ordinating a partnership approach to ensure we have a safe and well- managed city centre. This involves:

- Providing a warden service to maintain high standards in the city centre
- Tackling begging and anti-social behaviour working with partners
- Continuing security initiatives in the city centre such as Pub watch and the security group
- Enhancing the public realm through floral displays, enhanced street cleansing and street dressing

B. **Experience** – creating a world class experience for all who visit the city centre. This involves:

- Delivering a range of events
- Maintaining the city centre as a destination shopping centre
- Animating the public spaces through trails, art and performances
- Enhancing the tourism offer

C. **Value** –use the collective voice of levy payers and partners within the City. This involves:

- Administering the BIG bus and car parking deals
- Supporting business growth through tailored advice and support
- Being involved in transport initiatives that affect the city centre
- Campaigning to draw out the special character of Lincoln

## 8. Impacts of an Overall 'No' Vote

8.1 BIG have included a section in their material which highlights the impact of a "no" vote:

- The full range of services would continue until December 2019.
- No new schemes will be developed and no renewals or new applications for car parking and bus deals will be accepted from November 2019.
- Park & Ride Service will be terminated February 2020.

- In March 2020 our events programme will cease, and our car parking and bus deals terminated, websites will close and security group services cease, Evening Economy management programmes will be terminated, and our administration of trader group meetings cease, the Lincoln in Bloom will terminate and the Radio Link Scheme close down.
- Fashion Week, 1940s, Christmas events, Street food Festivals etc. will not take place in 2020.
- Loyal Free App will cease June 2020.
- June 2020 – Lincoln BIG will cease to operate, the City Centre Wardens will terminate and the Lincoln BIG office close.
- Any remaining assets of Lincoln BIG will be passed to another organisation at the discretion of the Lincoln BIG Board.
- The 2020 trail will be completed by September 2020 by negotiation with our Charity Partner.

## **9. Strategic Priorities**

### **9.1 Let's drive economic growth**

Lincoln BIG continues to provide a vital role in the vibrancy of the city centre. At a time when high streets across the country are struggling, in Lincoln it is very resilient and this in part is due to the activities of BIG.

### **9.2 Let's enhance our remarkable place**

Providing exciting events and activities that animate the city centre all enhance what Lincoln has to offer. Be it culture, heritage, arts or entertainment – the range of activities undertaken by BIG which attract people into the city centre enhance the city's reputation.

BIG also play a direct role in creating a remarkable city centre through their work in partnership with the city council on safety, security and cleansing.

## **10. Organisational Impacts**

### **10.1 Finance**

The City Council is a levy payer in its own right, and the budget for the BID levy for the various city centre hereditaments is £24,553.50 in 2020/21. In reality this would be a saving in the event of a 'no' vote. However, this saving would be insufficient to fund the city council stepping in and undertaking the 'lost' activities directly. The full list of council properties is covered in **Appendix B**.

### **10.2 Legal Implications**

The ballot is being held in accordance with the Business Improvement Districts (England) Regulations 2004.

### 10.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no equality, diversity or human rights issues with the casting of a 'yes' or 'no' vote for the purposes of an increased levy on the business rates charge.

## 11. Risk Implications

### 11.1 (i) Options Explored

The alternative is to mandate officers to vote "no" in the ballot. As covered in the main body of the report this would lead to a full range of activities being closed down. At a time where city centres need dedicated support to help them evolve into new and exciting places, the role of BIG in creating those visitor experiences would be lost with such a NO vote, which would have a large impact on the vibrancy of the city centre.

## 12. Recommendation

12.1 It is recommended that the Executive instruct the Chief Finance Officer to cast votes for City Council properties with a 'Yes' to the Lincoln BIG ballot.

<b>Is this a key decision?</b>	No
<b>Do the exempt information categories apply?</b>	No
<b>Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?</b>	No
<b>How many appendices does the report contain?</b>	two
<b>List of Background Papers:</b>	None

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