

SUBJECT:	LINCOLN BIG BALLOT
DIRECTORATE:	COMMUNITIES AND ENVIRONMENT
REPORT AUTHOR:	SIMON WALTERS, STRATEGIC DIRECTOR, COMMUNITIES AND ENVIRONMENT

1. Purpose of Report

- 1.1 To present to committee the Lincoln Business Improvement Group (BIG) ballot arrangements and to 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 2024 for their operational period July 2025-June 2030. An All-Member workshop took place on 18 September 2024 and a range of views were expressed at the meeting, which were reported to Policy Scrutiny Committee when it considered this report at its meeting on 1 October 2024. A copy of the minutes are attached to the agenda papers for information.
- 2.2 The BIG Board, at its meeting on 20 August 2024 approved a bid levy rate increase from 1% to 1.75%. According to the documentation supplied to the Board, this increase brings them into line with BIDs around the country, where the average is now 1.7%. For the City Council this will increase its overall BID levy charge from £30,877.05 to £47,417.13 (based on current figures). This does not yet include the Cornhill market as it was taken out during the refurbishment so will be assessed and brought back into listings imminently.
- 2.3 Clearly this is a large increase for many businesses in the BID area, which will be softened for those whose rateable value has decreased in the 2023 list for business rates. BIG are aware that this jump from 1% to 1.75% represents a risk to the ballot, but with falling income levels outside of the levy, to maintain the same level of activity necessitates a 1.75% levy and even at this rate the budgets for a variety of activities will need to be trimmed. Their Board remain optimistic that over the 5-year term new funding streams will open up to them, which will enable further activity to be introduced. Their Board felt that aiming for a 1.5% levy (which by necessity would lead to fewer events and activities) would be a very difficult message to land with voters.

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 – currently Councillor Tweddle and Councillor Pritchard. 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 2019, whereupon:

828 ballot papers were issued with 407 papers returned representing a turnout of 49.15%. These votes were made up as follows;

- 317 - Yes
- 88 - No
- 2 - Spoilt

The votes in favour excluding spoilt was 78.3%.

The rateable value of the 'yes' votes = £20,381,150

The rateable value of the 'no' votes = £4,594,490

3.3 Lincoln BIG were therefore mandated to continue their work for the period 2020 - 2025.

4. The BID Ballot Process - 2024

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% for 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 2024 is;

- Notice of ballot – 14 October 2024
- Ballot papers out to eligible voters – 26 October 2024
- Close of ballot – 25 November 2024
- Count – after 5pm on the 25 November 2024

5. The BID Levy Mechanics

5.1 At 1 July 2025, the BID levy charge for the 2025 plan for the first year will be at 1.75% of the Rateable Value in the 2023 Non Domestic Rating List for the hereditament at the time of the proposal.

The Bid year runs from 1 July to 30 June and the charge for the following years will increase in line with the CPI in the preceding May (if this information is delayed, at the discretion of the BID Board, the CPI in the preceding April will be used)

Changes to the Rateable Value after 14 October 2024 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. After the period of works, the hereditament will be reassessed by the Valuation Office and the new rateable value will be used for the purposes of the BID Levy. This is relevant for the Cornhill Market which is due to come back into the listing.

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 2023 will not be charged, nor will they be able to vote.

5.2 Educational institutions will be charged the full levy.

Charity shops will be charged at 50% of the BID levy rate.

Other charities will not be charged, nor will they be able to vote.

Managed shopping centre tenants in the current BID plan for 2020-2025 are charged at half of the BID levy charge. From 1.4.2025 this reduction will be removed and the managed shopping centre tenants will be charged at the full rate.

Properties where the ratepayer is in liquidation or administration in the current BID plan for 2020-2025 are not charged unless they continue to trade whilst in administration. From 1.4.2025 this exemption will be removed and ratepayers in liquidation or administration will be charged at the full rate.

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 2025-July 2030 will be fixed based on the 2023 rateable value of property as at 14 October 2024 and any changes to the rateable value after this date will not affect the BID levy charged.

At a 1.75% BID levy the indicative costs to a business would be:

Charges for 2025/26 *			
Rateable Value	Annual Bid Levy	Weekly cost	Daily Cost
6000	£ 105.00	£ 2.02	£ 0.29
20000	£ 350.00	£ 6.73	£ 0.96
50000	£ 875.00	£ 16.83	£ 2.40
100000	£ 1,750.00	£ 33.65	£ 4.79
250000	£ 4,375.00	£ 84.13	£ 11.99
500000	£ 8,750.00	£ 168.27	£ 23.97

*this is due in full on invoice

In terms of impact, larger businesses with a rateable value of £100,000+ will pay approximately 47% 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. The recharge agreed for the billing and collection of the Bid Levy for the period of the 2025 Lincoln BIG plan* is £17,200 for 2025/26 with application of the CPI each year up to a cap of 3%.

*Bid plans can be in place for a maximum of 5 years.

6. All Member Workshop

- 6.1 On 18 September 2024 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 draft (and hence confidential) business plan is attached in **Appendix A**.

Members considered the impact of a "no" vote on both city centre vibrancy and the likely resultant impact on the city council itself. It is clear that the public and businesses would expect the council to step in to deliver many of the initiatives directly, should Lincoln BIG be dissolved. The current Medium Term Financial Strategy does not provide the necessary resources for the City Council to do this.

- 6.2 Policy Scrutiny Committee also debated the prospectus at its meeting on 1 October 2024, and the minute of that meeting is included within the agenda pack, for consideration.

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 continuing to focus on three strategic areas of activity:

A. Enhance the Welcome - offering a welcoming and safe city centre for residents, employees and visitors. This involves:

- Providing a **warden service** to maintain high standards in the city centre, offering a visible welcome, signposting service, maintaining/cleaning the street scene and contributing to the security for the city centre. The

business plan includes a commitment to increase the number of wardens and extend their hours to include early evening and weekends. It also includes reference later in the document to a renewed agreement with the city council, defining core statutory services and the enhancements BIG will layer on top through the own activities

- Continuing **security initiatives** in the city centre such as Pub watch, the retail security group, radios and an officer dedicated to tackling shoplifting with the police. Focus will be on tackling anti-social behaviour, begging and nighttime economy. The business plan commits to upgrade the shop radio link system and promote a range of safety initiatives
- **Street Dressing and Animation** – Floral displays and Christmas decorations

B. Experience - making Lincoln a destination of first choice to visit, live and work in by delivering and supporting high quality events, and animating the city with a focus on delivering cultural and independent themed activities. This involves:

- A range flagship events which currently include 1940s, Halloween and Kickstart at the Castle, and trails at different times of year with a commitment to grow some existing events and introduce new ones
- Support partner events through grants, promotion and additional advice/ 'on the ground' operational support
- Provision of the Lincoln sightseeing bus

C. Engage with BIG members to deliver value for money to them. This involves:

- Provide discounted **Bus and Car Parking deals** for members and their employees, which are typically lower paid retail and office staff
- Manage the delivery of the **Park & Ride** scheme for the city with partners
- Be the **Voice of Business** to lobby on issues that affect members
- Deliver the annual **GEM (Going the Extra Mile) Awards** showcasing businesses that go the extra mile with their customer service
- A commitment to also promote member businesses through marketing campaigns
- Organise regular **engagement and networking** events including a commitment to deliver training and learning courses
- Provide a pooled range of data capturing the vibrancy of the city centre on a monthly basis

8. Impacts of an Overall 'No' Vote

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

- The full range of services would continue until December 2024
- No new schemes developed and no renewals or new applications for car parking and bus deals accepted from November 2024. Scheme overall closes in March 2025
- Park & Ride Service terminates February 2025
- All evening economy support (e.g. Pubwatch) stops in January 2025
- In March 2025, the events programme ceases, websites close, security group services (including shop radio link scheme) ceases, the administration of business forums ceases, and the Lincoln in Bloom terminates
- June 2025 – Lincoln BIG ceases to operate, the City Centre Wardens terminate and the Lincoln BIG office closes
- Any remaining assets of Lincoln BIG passed to another organisation at the discretion of the Lincoln BIG Board

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 continues to be 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, supplementing the City Council offer, all 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 also pays the BID levy for some of its tenants under the terms of their leases – the estimate of the BID levy due from the City Council including its tenants is estimated to be £47,417.13.(This does not currently include the Cornhill Market as this is pending a reassessment from the due

to recent refurbishments). This amount is above the current budget provision by c£17k p.a, which will need to be incorporated in the revised MTFS.

While in reality in the event of a 'no' vote, the Council would make a saving on the cost of the BID levy it pays, this saving would be insufficient to fund the City Council stepping in and undertaking the 'lost' activities directly as BIG annually spend close to £1.2m. The full draft 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 Executive Committee instruct the Chief Finance Officer to cast votes for City Council properties with a 'Yes' to the continuation of Lincoln BIG for the next 5 years, in the upcoming ballot.

Is this a key decision?

Yes

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the report contain?

Three

List of Background Papers:

None

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