

# Southend-on-Sea City Council

Agenda  
Item No.

Report of Strategic Director for Adults and Communities

To

Cabinet

On

26 July 2022

Report prepared by: Scott Dolling  
Director of Culture and Tourism

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## Re-ballot of Southend Business Improvement District Ltd

Relevant Scrutiny Committee(s) Place  
Cabinet Member: Councillor Martin Terry  
Part 1 (Public Agenda Item)

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### 1. Purpose of Report

- 1.1 To update Cabinet on the success of the Southend Business Improvement District (BID) since its launch in April 2013 and re-ballot in 2017.
- 1.2 To seek agreement from Cabinet to provide the support required, subject to approval of the BID Proposal, for a renewal ballot of Southend City centre businesses regarding to further five-year term of the Southend BID. To inform the ballot process, the BID must produce a BID Proposal. The Business Improvement Districts (England) Regulations 2004 require that a BID Proposal is submitted to the local authority to ensure that it meets the requirements of the regulations, and a ballot can therefore proceed.

### 2. Recommendations

- 2.1 That the progress and impact of the BID is noted.
- 2.2 That Cabinet agrees that the Director of Culture and Tourism, in consultation with the portfolio holder, be given delegated authority to:
  - 2.2.1 Consider on behalf of the Council as billing authority, whether the proposal conflicts with any formally adopted policy of the Council, and, if it does, give notice of this in accordance with the BID regulations.
  - 2.2.2 Determine whether the Council should support the BID's proposal decided by the majority of BID Directors and businesses and if so, to vote yes on its behalf in the BID ballot. If a 'no' vote is proposed, this will be referred to Cabinet for further consideration
  - 2.2.3 Formally manage the ballot process in accordance with BID regulations.
  - 2.2.4 That subject to a 'yes' vote at ballot by the relevant BID business community, the Council as relevant local billing authority will manage the billing and collection of

the additional levy, and its transfer to the BID company. In the event of a ‘no’ vote, that the costs of the ballot be recovered from the BID Company as per the BID regulations.

2.2.5 Review and update the Operating Agreement, as required, which details the billing, collection and enforcement provisions as well as the arrangements for transmitting the BID receipts to the BID in consultation with the Executive Director for Finance and Resources.

2.2.6 Enter into a revised service level agreement with the BID company regarding the operation of the BID and delivery of Council requirements and baselines.

### 3 Background

On 4<sup>th</sup> September 2012 Cabinet considered and agreed a report regarding the establishment of the BID in Southend town centre and central seafront area (Report DETE12053, Minute 227). In accordance with the BID regulations (2004), a “renewal” ballot took place in towards the end of the initial five-year term in October/November 2017 The existing BID term ends on 31<sup>st</sup> March 2023 and therefore another ballot is required which will take place in October/November 2022.

3.1 Results from a 2022 survey of BID levy paying businesses show that the BID is providing a good return on investment. Results show that of the respondents, 91% would vote yes for Southend BID to continue for another 5 year term (3% would vote no, 5% don’t know).

3.2 The BID is governed by a board of directors and a wider committee. Both groups are made up of levy paying businesses. Its aim is to work with local businesses and the Council to enhance and add value to the area covered by the BID in line with the priorities of the business community which are set out in a business plan for the term of the BID.

3.3 Since its launch the Southend BID has:

- Embedded a team of Street Rangers – a uniformed team on hand to welcome visitors. Extremely valued by local businesses and have assisted Police and businesses to tackling crime and antisocial behaviour. This team was extended during the 2017 term.

#### Street Ranger Figures April 2013 to May 2022

Visitor Enquiries	30,359
Rough Sleeper Engagement/Relocation	6,528
Retail Crime Assists	8628
Unauthorised Buskers Relocated	643
Unauthorised Collectors / Events	961
First aid Incidents	660
Anti-Social Behaviour Intervention	10,596

- Child Safety Scheme ('Keeping Together') has reunited in excess of 500 children with their parents. Police have confirmed this scheme has reduced the number of reported missing child incidents in the BID area and has allowed them to allocate available police resources to other reported incidents.
- Providing access to DISC – a secure online information sharing system to enable businesses to report incidents and view the latest intelligence.
- Evening Economy - £11k additional night time policing funded by the BID since 2013.
- Annual events programme for Term 1 included, Outdoor Cinema, Italian Festival, Purple Festival, Southend Seafront Fireworks Programme, Christmas Lights Switch On, Christmas 4D Light Show. Also, one of very few BIDs in the UK to secure Arts Council funding for events - Southend Charabanc/Disco Turtle event. In Term 2, Christmas Lights Switch on and autumn seafront Fireworks continued, with the addition of Chinese New Year Celebrations, Southend's annual Cocktail Week, various themed trails for families, the upcoming City Jam Street Art Festival, LuminoCity Light Festival (in collaboration with Southend City Council) and more. Since 2013 BID events have attracted in hundreds of thousands of visitors to the BID area as well as increasing visitor spend and improving public image. As an example, the day of the Chinese New Year event, footfall figures recorded the highest amount of visitors to Southend High Street in the month of January 2022.
- Delivery of rebranded Visit Southend website to promote the BID area in partnership with the Council. The website updates visitors on upcoming events, promotions and attractions as well as including listings for businesses. Since the rebrand, web traffic to Visit Southend from London IP addresses has increased over 300%.
- Successful PR campaigns for various projects, services and events raised the profile of the City as well as promoting it as an attractive place to visit. There is now a combined following across Southend BID's social media channels of over 7,000 people which is continuing to grow.
- Improvements to public space by improving the appearance of empty premises the High Street as well as implementing a regular schedule of street art pieces adding vibrancy and creating points of cultural interest.

During Term 1, bespoke wicker planters were added to the seafront. Enhancement of the existing hanging basket scheme by introduction of a third container to all High Street columns as well as extending the scheme to include side streets. This has continued in Term 2, along with the installation of bunting to the High Street and side streets to further enhance aesthetics.

- Christmas Lighting upgrade incorporating twinkling lights and festive lighting for side streets as well as taller bespoke 40ft Christmas tree each year.

- In Term 1, over £70,000 was acquired through sponsorship and Friends of the BID scheme in addition to levy collected. In Term 2, the BID has utilised the Government's Reopening High Streets Safely Fund (RHSSF) and the Welcome Back Fund (WBF), acquiring over £50,000. Sponsorship and Friends of the BID scheme income has continued with all this additional income being invested back into the BID zone.

BIDs are established for a five-year term at which point a renewal ballot must take place in order for the BID to continue. To inform the ballot process, the BID must produce a BID Proposal. The Business Improvement Districts (England) Regulations 2004 require that a BID Proposal is submitted to the local authority to ensure that it meets the requirements of the regulations, and a ballot can therefore proceed.

- 3.4 The Council therefore has a multi-layered relationship with the BID. It must review the proposal and, if it is agreed, then manage the ballot process and undertake the billing and collection of the BID levy should the vote be in favour of the BID. As a landowner within the BID area the Council is a BID member and levy payer. The Council also has places on the BID committee – now occupied by the Cabinet Member for Public Protection and Director of Culture and Tourism. There is a service level agreement with the BID articulating how the Council, as a key strategic partner, and BID will work together over the five-year term.
- 3.5 The local authority has a statutory responsibility to support the development of BIDs and facilitate their establishment and successive re-ballots. This includes conducting the ballot and collecting and enforcing the levy. The authority must also confirm that the proposed BID does not conflict with area plans and schemes. If the local authority is of the opinion that the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the levy is unjust, it can decide to veto the proposals. The local authority can only veto proposals within 14 days from the date of the ballot.
- 3.6 The Council must consider the respective roles that it may play in the process of developing the BID renewal process in line with BID legislation as a billing authority, as a landowner/occupier in the BID area and as a ballot holder. The local authority ballot holder remains legally responsible for the ballot process as set out within government regulations.
- 3.7 The Council must also work with the BID Company to ensure that the ballot process follows a thorough research and consultation phase that focuses on the needs and requirements of the potential contributors within the area of the BID.
- 3.8 It is a requirement of the BID Regulations that the BID proposals include a statement of the existing baseline services provided by the Council and any other public authority in the proposed BID area. This statement will form part of the BID proposals which demonstrate to businesses voting for the BID that the proposed BID services are additional to the baseline services provided by the public authorities.

- 3.9 The Council is required to manage the collection and enforcement of the BID levy charges known as an Operating Agreement.
- 3.10 Part 4 of the Local Government Act 2003 (“the Act”) introduced BIDS. The creation, regulation and operation of BIDs is governed by the provisions of the Act and Regulations made under the Act, the Business Improvement Districts (England) Regulations 2004 (“the Regulations”) which have been amended by the Business Improvement Districts (England) Amendment Regulations 2013. The government has also issued the following guidance:
- *Guidance on the Business Improvement Districts (England) Regulations 2004*
  - *Business Improvement Districts: technical guidance for local authorities (“the Technical Guidance”)*
  - *Business Improvement Districts: guidance and best practice (“the Guidance”)*.

#### **4. Other Options**

- 4.1 There are certain functions within the BID ballot process which can only be undertaken by the local authority. Therefore, if the Council is to support a third term of the BID, subject to approval of the Proposal, it must be willing to undertake these activities.

#### **5. Reasons for Recommendations**

- 5.1 The Southend BID company has leveraged funding from businesses in the BID area which wouldn’t otherwise have been available to invest in the town (now city) centre. Paragraph 3.4 provides an overview of the impact the BID has made in the town (now city) centre and central seafront area funded through the levy and additional contributions. These interventions and value adding activities have been to the benefit of the area and could not have been delivered under the previous Town Centre Partnership / Management arrangement.
- 5.2 A third term is subject to a positive outcome from the business ballot and therefore the decision to progress is one that is led by the business community to meet their needs and is recognised as good practice by Government.
- 5.3 The detail of the Proposal, Operating Agreement and SLA will be negotiated over the coming months prior to ballot. Delegated authority is sought in order that these discussions can be undertaken in a timely manner which allows the process to progress. No additional funding would be granted as part of these negotiations.

#### **6. Corporate Implications**

- 6.1 Contribution to Council’s 2050 vision

**Active and Involved** – The initiative is business led and sees a greater participation of a wider group of stakeholders from around the City. Additional funding would be invested over the further five years of the BID to enhance the City centre led on by the business community through its management committee and board.

**Pride and Joy** - The City centre would continue to be a more attractive proposition for residents, visitors and investors.

**Safe and well** – One of the key objectives for the businesses is to continue with the on-going safety of the City centre environment. Initiatives with additional security measures will continue to be a priority and have been highlighted in the business plan preparations.

**Opportunity and prosperity** – The rationale for a BID is to put local stakeholders and their financial contribution in a position of taking ownership of the defined area. The Council is demonstrating support for a business led initiative enhancing the opportunities for the City centre environment.

## **6.2 Financial Implications**

- 6.2.1 The billing, collection and enforcement of BID levies will be undertaken using a module of the current Revenues & Benefits system - Northgate. This software was purchased by the Council and the BID repaid the cost at £5,000 per year. Therefore if the BID is successful at renewal all costs for this software would have already been recovered and this will not be a financial implication for the Council during the 2023-2028 BID term. The utilisation of a similar software arrangement ensures that the procedures used to successfully collect Business Rates are extended to cover the proposed BID scheme. This also assists in minimising costs.
- 6.2.2 The ongoing costs incurred by the Revenues & Benefits Service for the billing, collection and enforcement arrangements for the BID will also need to be fully reimbursed by the BID. The likely cost of this annual support is £35 per hereditament as per BID legislation.
- 6.2.3 The administration process for operating the BID scheme will be set out in an Operating Agreement that details the billing, collection and enforcement provisions as well as the arrangements for transmitting the BID receipts to the BID. It is essential to keep the arrangements to a realistic level so that the cost of delivering them is efficient. In the event that the BID demands a level of monitoring that is not proportionate to the scale of the BID scheme then the Council's right to charge for such additional monitoring is reserved.
- 6.2.4 The Council will continue to maintain a separate BID revenue account in accordance with Section 47 Local Government Act 2003. This account is similar to the Council's Collection Fund in terms of ring-fencing the receipts for specific purposes, namely the BID, so that they can use monies to carry out their stated objectives.
- 6.2.5 The BID levy is based on the rateable value (RV) of a hereditament.
- 6.2.6 Funding under the third term of the BID will be agreed through a revised SLA which will be developed in preparation for the ballot but will not increase the financial contributions to the BID.

## **6.3 Legal Implications**

- 6.3.1 The legislation supporting BID schemes was introduced by the Local Government Act 2003 and the billing, collection and enforcement arrangements

are governed by legislation and the BID levy rules as set out in the Business Improvement Districts (England) Regulations 2004.

- 6.3.2 The BID requires a ballot, and the rules also require notice must be given to the Secretary of State of the intention to ballot businesses. Failure to do this at the correct time or comply with the ballot and levy procedure rules could invalidate the BID.
- 6.3.3 Prior to a ballot of businesses taking place, the Council will need to formally accept and support the BID proposal.
- 6.3.4 If there is a successful ballot and a BID in place the levy collection would need to be enforced through usual business rates collection channels. In the event that the BID ballot is unsuccessful, then the scheme will fail.
- 6.3.5 If there is a successful ballot, the Council will need to enter into with the BID Company Baseline Agreements, a Service Level Agreement and an Operating Agreement which will define:
1. The method of operating the BID scheme
  2. The billing, collection, and enforcement regime
  3. Any complementary services that are contracted by the Council to the BID Company
- 6.3.6 There are statutory provisions under which the Council may, as the billing authority, in prescribed circumstances, veto the proposals. This is generally where the BID's proposed work programme is already being carried out or if the scheme is considered to be unworkable.

#### 6.4 People Implications

The current arrangements are proposed to continue with the BID Manager remaining as an employee of the Council. The BID Manager will deliver the BID business plan objectives on behalf of Southend BID Ltd. The BID retains the right to consider direct employment of the BID manager at a future date subject to appropriate conditions and approvals at the time.

#### 6.5 Property Implications

Council owned properties within the BID area whose rateable value exceed the minimum threshold will be subject to the levy.

#### 6.6 Consultation

In order for the BID to be granted a third term, a majority of businesses votes need to be achieved. Consultation is essential with the businesses and organisations in the BID area and will be delivered as part of the preparation process. Throughout the current BID term, all businesses have been consulted via an annual survey as well as substantive one to one meetings with Street Rangers which feed into the proposed business plan. The Southend BID has

been engaging and consulting with businesses within the BID area throughout the term and feedback from hereditaments continues to be favourable.

## **6.7 Equalities and Diversity Implications**

The BID is a separate entity to the Council and provides services that are over and above those undertaken by the Council. The BID's aims and objectives are likely to help the Council in advancing equality of opportunity and fairness and that will maximise opportunity for all Southend residents to benefit from economic growth in BID area.

## **6.8 Risk Assessment**

6.8.1 The BID now almost 10 years of track record and the initial identified risks were mitigated.

6.8.2 The BID process is seen by the government as an innovative process of enabling business communities to contribute significantly to the future economic development of their local area and regenerate high streets. The risk of an area not embracing this potential is that investment needed to retain businesses, increased footfall and attract inward investment in a local district centre may not be forthcoming, compared with neighbouring areas where this opportunity is being exploited.

## **6.9 Value for Money**

Via the BID levy, additional funding is made available for investment in the city centre. The BID provides value for money in the short and medium term as the project will continue to see more ownership by a wider group of stakeholders. The additional c£2.5M investment over the first five-year term resulting from the BID would not be otherwise realised. In addition to the levy, many BIDs attract voluntary contributions from interested partners and businesses as well as grants and profile via national schemes. Since the BID started trading in April 2013 it has successfully delivered a range of services and activities which have met both the businesses and the public's expectations – see section 3.4

## **6.10 Community Safety Implications**

Safety has been one of the priorities of the BID's first term with the introduction of Street Rangers and child wrist bands among other interventions. It is anticipated that a key focus of the new BID proposal will include additional local safety and security initiatives to add to the Council's on-going commitment. In this way, a BID will play a part in orchestrating business led solutions to criminal and anti-social behaviour.

## **6.11 Environmental Impact**

The Council will ensure that all environmental considerations are given appropriate assessment at all levels of the delivery of projects which deliver more employment opportunities for the borough's residents.



**7. Background Papers**

**8. Appendices**