

NORTHUMBERLAND

Northumberland County Council

CASTLE MORPETH LOCAL AREA COUNCIL

DATE: 8TH JANUARY 2018

MORPETH BUSINESS IMPROVEMENT DISTRICT

Report of Director of Planning and Economy

Cabinet Member: Councillor Richard Wearmouth, Portfolio Holder for Economic Development

Purpose of report

To provide Castle Morpeth Local Area Council (LAC) with an update regarding the development of Morpeth Business Improvement District (BID) proposals.

A presentation will be provided at the meeting regarding the development of the Morpeth BID proposal from a representative of the Morpeth pre BID Steering Group (the group established by Morpeth Town Team to lead the development of the BID proposals).

Recommendations

It is recommended that the Committee:

- note the report and the presentation provided.
- Provide comments prior to NCC considering the BID proposals at Cabinet in February 2018. The proposed ballot of eligible businesses is currently planned to take place in March/April 2018.

Link to Corporate Plan

This report is relevant to the following priorities included in the NCC Corporate Plan 2013-2017:

- **Economic Growth** – our aim is to promote a more prosperous county through sustainable economic growth that provides residents with ready access to high wage and skilled jobs and opportunities to create thriving businesses.
- **Places and Environment** – our aim is to maintain and further improve the quality of towns, villages and countryside, and make it easier for residents to access services and high quality affordable homes and to travel using different modes of transport

Key issues

1. BIDs are business led partnerships created through a ballot process to deliver additional services to local businesses. Government states they can be a powerful tool for directly involving local businesses in local activities and allow the business community, local authorities and other key partners such as the Police to work together to improve the local trading environment. At the LAC Meeting in September 2017 members received a presentation from the Morpeth BID proposer and a full NCC briefing regarding BIDs which is included in Annex 1 of this report for information.
2. The BID proposer committed to providing a further presentation of their proposals to the LAC at its meeting on 8th January 2018.
3. The BID Proposer (Morpeth Town Team) via the Pre BID Steering Group are currently finalising their proposals and working with the Local Authority to develop supporting documents. The Consultation process is scheduled to end in January 2018. The current drafts of the Business Plan (Prospectus), Baseline Services Agreement and Articles of Association for the BID Company (subject to the ballot) are being finalised and the latest versions are available online. The BID proposer will provide an up to date presentation on the proposals to the meeting following analysis of recent consultation events held in December.
4. The proposals, once finalised will be considered and validated by NCC cabinet in terms of adhering to legislative requirements. The BID proposals will then proceed to a minimum four week postal ballot where businesses will ultimately decide whether to introduce the scheme. The current timeline is for Cabinet to receive the proposals in February 2018 and for the Ballot to take place in March / April 2018.
5. The draft Business Plan confirms the details of the current proposals which are:
 - To create a town centre focused BID focusing on the following themes and project areas:
 - Cleaner, Greener, safer and accessible
 - Events and Activities
 - Marketing and Promotion
 - Infrastructure and Business Voice
 - The projects will be funded by a compulsory BID levy of 1.4% of the rateable value of all eligible hereditaments. There may be some exemptions such as a local charity exemption noted in the plan.
 - The plan sets out the geography and streets within the BID area, which is the town centre of Morpeth and includes circa 400 eligible properties.
 - The income of the BID from the levy above will be around £112,520 in the first year (based on an 11 month operating period following the ballot).
 - Subject to a successful ballot the BID proposer has confirmed in its proposals plans to establish the BID Board responsible for the BID Company's operations shortly after the ballot via an open and transparent appointment process.

6. As part of the consultation process, the County Council has provided a statement which has been made available as part of the consultation locally and online to businesses explaining our role in BIDs including:
- That NCC has been fully engaged as a stakeholder in the development of the BID Proposal throughout the stages of development required by Government.
 - We understand from the draft proposals that the BID will be a town centre focused BID with a straightforward 1.4% levy charge for all eligible businesses in the town centre and that the BID will be an open and transparent organisation establishing a new Board from the outset and delivering a set of focused projects which have been developed in consultation with traders.
 - That the County Council's policy is that it supports BID's where local businesses back them and that we will consider each BID proposal on its merits.
 - Whilst we fully support BIDs in principle, our policy is to not vote in BID Ballots on the basis that it is for local businesses to decide.
 - The County Council's role is to ensure that the BID Proposer meets legislative requirements and to operate the ballot of local companies and to work with the BID Proposer to draft the operational arrangements for the company subject to the ballot.
 - Once established the Council will undertake levy collection services for Morpeth BID and will charge a fee of no more than 3% of the total rateable value of premises within the BID boundary (estimated at £3660 per annum tbc upon establishment of BID) for this service, within the level required by national guidance.
 - We are looking forward to receiving the final BID Business Plan following the conclusion of consultation with businesses when we will validate that the BID Proposer has undertaken the necessary steps at Cabinet in February 2018 prior to the ballot being undertaken in the Spring.
7. Comments from the LAC will be taken account of prior to the final Business Plan being presented to Cabinet in February 2018 prior to the ballot. The Business Plan will be included in ballot packs as part of the postal voting process. The ballot is currently scheduled to take place in March / April 2018, a postal ballot which will run for four weeks.

1. Morpeth BID Proposals

2.1 Background

Morpeth benefits from a proactive Town Team which has taken a leading role in developing the town since it was established in 2012.¹ The Town Team is a formal partnership which was set up in response to the Portas review. It is made up of The Town Council, the Chamber of Trade and the Sanderson Arcade, the Town's main shopping centre.

¹ <http://www.moreinmorpeth.co.uk/morpeth-town-team>

The Morpeth pre BID Steering Group, made up of volunteers from the local business community has been established by the Town Team to lead the development of proposals and has been closely involved in the BID feasibility workshops to date.

As part of the Morpeth application to British BIDs, NCC confirmed that it will undertake its statutorily required role in the project and has provided advice regarding the work undertaken to date, having previously confirmed a policy commitment to supporting BIDs as mentioned in this report.

Each year since 2013, the Town Team has undertaken an economic health-check which identified a BID as a vehicle to increase the economic vitality of the town. In response to those surveys, the Town Team has overseen a modest action plan addressing some key issues, including better branding and marketing, some events, improved quality of markets and lobbying on those issues where public policy needs to change. However the limited resources available have held back the full range of projects that could lift the profile of the town and ensure that the areas requiring robust action are driven forward.

A BID was identified as a potential vehicle to create and deliver a bolder action plan for change and improvement in the town. The Morpeth Neighbourhood Plan (MNP)² was adopted in 2016 following a 93% “YES” vote in the referendum. The MNP included a number of Community Actions, one of which tasked the Morpeth Town Team to “determine the appetite for a Business Improvement District” and to “develop and implement a BID if demand is proven”.

Morpeth Town Team consulted businesses within the Chamber of Trade and the town’s main shopping centre in January 2017 about the possibility of creating a Business Improvement District in the town. This represented over 50 of the town’s businesses.

The Town team submitted an application in February 2017. The application was successful and the loan offer and agreement was confirmed in July 2017. This means that the Town Team is the ‘Morpeth BID Proposer’. The Town Team has established a pre BID Steering Group involving local businesses to lead the development of the BID proposal.

The BID has now completed the feasibility stage of its development and is currently finalising the consultation and local authority planning stages on planning the development of the BID.

² <http://www.themorpethneighbourhoodplan.org.uk/>

2.2 Morpeth BID Proposal Development

Two launch / consultation events and workshops have already been held in July which were widely advertised in local press, online and via leaflets delivered to business premises. Over 40 local business representatives attended the July events. A number of BID Task and Finish Groups were established to help to develop the BID business plan, some of which are met in late August / early September. Further Business Engagement Events were held in October.

During the Autumn the BID have substantially revised their proposals based on feedback and held further consultation events in the town culminating in a drop in session on 12th december where the draft Business Plan was published.

A Morpeth BID Facebook page³ and group has also been set up to engage and encourage more ideas and dialogue on what a BID could do for the town and what its priorities should be and key documents posted online regularly. Background information and the latest bulletins are also available on the More in Morpeth website⁴.

2.3 Morpeth BID Proposals

A draft Business Plan and associated Articles of association for the BID Company as well as a baseline services document have been posted online at the links above with hard copies circulated at the recent event. The documents are currently being refined as a result of feedback from the December events and an operating agreement between the BID and NCC will be finalised in the New Year establishing the approach to levy collection services as described in the Business Plan. An up to date presentation will be provided to the LAC in January and all documents will be updated online too.

The key points regarding the current proposals are:

- To create a town centre focused BID focusing on the following themes:
 - Cleaner, Greener, safer and accessible
 - Events and Activities
 - Marketing and Promotion
 - Infrastructure and Business Voice
- The Business Plan identifies a series of key projects against the above themes.
- The projects will be funded by a compulsory BID levy of 1.4% of the rateable value of all eligible hereditaments. There may be some exemptions such as a local charity exemption as noted in the business plan.
- The plan sets out the geography and streets within the BID area, which is the town centre of Morpeth and includes circa 400 eligible properties.

³ www.facebook.com/morpethBID/

⁴ <http://www.moreinmorpeth.co.uk/bidnews1>

- The income of the BID from the levy above will be around £112,520 in the first year (based on an 11 month operating period following the ballot)
- Subject to a successful ballot the BID proposer has confirmed in its proposals plans to establish the BID Board responsible for the BID Company's operations shortly after the ballot via an open and transparent appointment process.

The detail against each of the above points is set out in the documents online.

2.4 NCC position regarding Morpeth BID

As part of the consultation process, the County Council has sought to be clear about its position in relation to Morpeth BID and provided the following statement which has been made available as part of the consultation locally and online to businesses:

NCC statement regarding Morpeth BID (12th December 2017)

The County Council has been fully engaged as a stakeholder in the development of the Morpeth Business Improvement District (BID) Proposal throughout the stages of development required by Government.

We understand from the draft proposals that the BID will be a town centre focused BID with a straightforward 1.4% levy charge for all eligible businesses in the town centre and that the BID will be an open and transparent organisation establishing a new Board from the outset and delivering a set of focused projects which have been developed in consultation with traders.

The County Council's policy is that it supports BID's where local businesses back them and that we will consider each BID proposal on its merits. Whilst we fully support BIDs in principle, our policy is to not vote in BID Ballots on the basis that it is for local businesses to decide.

The County Council's role is to ensure that the BID Proposer meets legislative requirements and to operate the ballot of local companies and to work with the BID proposer to draft the operational arrangements for the company subject to the ballot.

Once established the Council will undertake levy collection services for Morpeth BID and will charge a fee of no more than 3% of the total rateable value of premises within the BID boundary (estimated at £3660 per annum tbc upon establishment of BID) for this service, within the level required by national guidance.

We are looking forward to receiving the final BID Business Plan following the conclusion of consultation with businesses when we will validate that the BID Proposer has undertaken the necessary steps at Cabinet in February 2018 prior to the ballot being undertaken in the Spring.

2.5 Next Steps

The BID Proposer is now finalising and consulting on its proposals and working with the Local Authority to develop supporting documents, then a final business plan will be produced for consideration and validation as having met legislative requirements by NCC cabinet prior to the ballot taking place. This is currently planned for Cabinet in February 2018.

The ballot is currently scheduled to take place in March / April 2018, a postal ballot which will run for four weeks, the final business plan will be included in ballot packs as part of the postal voting process. Subject to a successful Ballot the BID will be established in Spring 2018 to operate for up to five years.

Implications

<p>Policy</p>	<p>BIDs are supported by Government policy and legislation as set out in the Business Improvement Districts Regulations 2004. As part of the Portas Review of Town Centres Government established a £500,000 loan fund to assist the development of BIDs.</p> <p>The NCC policy framework supports the development of BIDs led by the local business community. This includes previous reports to Cabinet in July 2014 and the Northumberland Economic Strategy. The proposed development of the Morpeth BID is identified in the Morpeth Neighbourhood Plan as an action.</p>
<p>Finance and value for money</p>	<p>Prior to the ballot,</p> <ul style="list-style-type: none"> - assistance to the Morpeth BID proposer from NCC is in kind and statutorily required. - The development costs are funded by the British BIDs loan although NCC must cover the costs of the ballot. - As part of the service baselines, additional services may be proposed by the BID or the BID may propose to operate services currently undertaken by NCC (on a full cost recovery basis) which may benefit or improve existing services to benefit Morpeth whilst also operating in a more effective and efficient way. <p>Subject to a successful ballot,</p> <ul style="list-style-type: none"> - NCC is able to charge a reasonable fee for levy collection services to recover costs. NCC has confirmed it will charge a fee of no more than 3% of the total rateable value of premises within the BID boundary (estimated at £3660 per annum tbc upon establishment of BID)

	- Dependent on the final proposals NCC properties that fall within the BID boundary and levy rules will be subject to the levy charge.
Legal	Should the ballot vote be in favour, an operating agreement is entered into between parties setting out how levy collection services will be provided to the BID company.
Procurement	None
Human Resources	None
Property	Eligible NCC properties will be subject to the levy dependant on the final levy rules and geography of the BID established in the Business Plan. The presentation from the BID proposer will outline the current proposals.
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	
Risk Assessment	None
Crime & Disorder	Tackling crime and disorder is a popular measure for BIDs, for instance shop security schemes etc. Morpeth BID have identified this as an issue in there Business Plan.
Customer Consideration	Levy Collection Services follow the same procedures as billing, collection and enforcement requirements are set out in the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989.
Carbon reduction	Carbon reduction measures can form part of BID proposals, for instance in seeking to reduce costs for businesses related to this issue in terms of waste. This is for the Morpeth BID Proposer to consider.
Wards	TBC dependent on the geographical coverage of the BID.

Consultation

Morpeth BID is subject to a detailed process of consultation as required by British BIDs following legislative requirements.

Background papers

NCC Reports

- Northumberland Economic Strategy 2015-2020
<http://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Business/Economic-Strategy-full-2015-2020.pdf>
- Minutes of County Council meetings with regard to Business Improvement Districts are available at:
<http://www.northumberland.gov.uk/Councillors/Meetings.aspx#committeemeetings>
 - Policy Board Minutes 10th June 2014
http://committeedocs.northumberland.gov.uk/MeetingDocs/7072_M1033.pdf
 - Economic Prosperity & Strategic Services Overview And Scrutiny Committee Minutes 24th June 2014
http://committeedocs.northumberland.gov.uk/MeetingDocs/7873_M1037.pdf

National Legislation and Guidance

- Government Guidance www.gov.uk/guidance/business-improvement-districts
- British BIDs Industry Criteria and Guidance 2017-18
www.britishbids.info/wp-content/uploads/2017-INDUSTRY-CRITERIA-AND-GUIDANCE.pdf
- The Business Improvement Districts (England) Regulations 2004
www.legislation.gov.uk/ukxi/2004/2443/contents/made

Morpeth BID and associated documents

- Morpeth Town Team www.moreinmorpeth.co.uk/morpeth-town-team
- Morpeth Neighbourhood Plan www.themorpethneighbourhoodplan.org.uk/
- Morpeth BID Facebook Page www.facebook.com/morpethBID/
- Morpeth BID webpage (More in Morpeth) www.moreinmorpeth.co.uk/bidnews1

Report sign off

Finance Officer	AE
Monitoring Officer/Legal	LH
Human Resources	N/A
Procurement	N/A
I.T.	N/A
Executive Director (Paul Johnston)	PJ
Portfolio Holder (Cllr Richard Wearmouth)	RW

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Annex 1: Business Improvement Districts Briefing (BIDs) September 2017

Purpose of Report

The report provides a briefing regarding national legislation and guidance regarding Business Improvement Districts (BIDs) and background regarding the development of Morpeth BID.

Key Issues

1. BIDs are business led partnerships created through a ballot process to deliver additional services to local businesses. Government states they can be a powerful tool for directly involving local businesses in local activities and allow the business community, local authorities and other key partners such as the Police to work together to improve the local trading environment.
2. There are currently 283 active BIDs nationally with 25 new BIDs brought into existence in the last year.
3. The principle of establishing BIDs in Northumberland is supported within the NCC Policy Framework, where local business groups bring forward proposals. In Morpeth's case, the Morpeth Neighbourhood Plan also references the development of a BID.
4. There are a number of BIDs in the North East. In Northumberland the first BID began operating in Hexham in October 2016 following a successful ballot announced in February 2016. Morpeth is the second BID to be proposed in Northumberland launching its development process in July 2017. A proposal to develop a BID in Blyth is also in the early stages of development.
5. A BID is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop and deliver projects which will benefit businesses in the local area. Unlike business rates the levy is held locally by the BID for use in the specific location. Businesses that are subject to the levy, as set out in the proposals, vote in a ballot. This determines whether the scheme goes ahead.
6. Whilst all BIDs are subject to the same legislative guidelines, the proposals and Business Plan for any individual place should reflect the circumstances of that community and the issues it faces. This includes the thematic priorities and levy rules that will be proposed.
7. The BID proposer (in Morpeth's case this is Morpeth Town Team) is required to develop a proposal and submit this to the local authority, along with a business plan. Morpeth Town Team have established a pre BID Steering Group made up of volunteers from the local business community. Their role is to lead the development of the BID proposals prior to the ballot using a wide range of engagement and consultation activities.

8. In Northumberland, NCCs approach has been to assist and facilitate the processes required when BID proposals are brought forward by local businesses ensuring that local growth is driven by local partners. NCC has a range of statutory responsibilities in relation to the development of BID proposals as well as potentially being a levy payer and voter in relation to the Morpeth BID. Once established a BID is operated by a BID Company, normally a not for profit company limited by guarantee led by a Board of local levy payers.

1. Business Improvement Districts (BIDs) Policy and Legislation

BIDs are business led partnerships created through a ballot process to deliver additional services to local businesses. The Government states⁵ that they can be a powerful tool for directly involving local businesses in local activities and allow the business community, local authorities and other key partners such as the Police to work together to improve the local trading environment.

The development of BIDs is supported by national policy and legislation, principally the Business Improvement District Regulations 2004⁶. There are currently 283 active BIDs nationally with 25 new BIDs brought into existence in the last year.

There are other BIDs in the North East and Cumbria including Hexham, Newcastle Upon Tyne, Sunderland, Penrith and Northallerton. There are a wide range of BID types including towns, city centres and industrial areas. More recently tourism and flood defence focused BIDs have been established.

The principle of establishing BIDs in Northumberland is supported, where local business groups bring forward proposals within the NCC Policy Framework following previous reports to Cabinet and Overview and Scrutiny Committees in 2014⁷.

Reference to BIDs as a positive example of local business led growth are also made in the Northumberland Economic Strategy 2015-2020. The Development of a BID in Morpeth is also referenced in the Morpeth Neighbourhood Plan.

In Northumberland the first BID began operating in Hexham in October 2016 following a successful ballot announced in February 2016. Morpeth is the second BID to be

⁵ www.gov.uk/guidance/business-improvement-districts

⁶ www.legislation.gov.uk/uksi/2004/2443/contents/made

⁷ Minutes of County Council meetings with regard to Business Improvement Districts are available at: www.northumberland.gov.uk/Councillors/Meetings.aspx#committeemeetings

- Policy Board Minutes 10th June 2014 committeedocs.northumberland.gov.uk/MeetingDocs/7072_M1033.pdf
- Economic Prosperity & Strategic Services Overview And Scrutiny Committee Minutes 24th June 2014 committeedocs.northumberland.gov.uk/MeetingDocs/7873_M1037.pdf

developed in Northumberland launching its development process in July 2017. A proposal to develop a BID in Blyth will also be launching in September 2017.

NCC are not aware of any other live proposed BID developments elsewhere in the county. It's important to note that whilst BIDs can be utilised by local communities to drive growth, they are one of a range of options being utilised by partners in Northumberland such as Town Teams, Coastal Community Teams and other other local growth initiatives.

Whilst all BIDs are subject to the same legislative guidelines, the proposals and Business Plan for any individual place should reflect the circumstances of that community and the issues it faces. This includes the thematic priorities and levy rules that will be proposed.

1.2 What is a Business Improvement District?

A BID is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop projects which will benefit businesses in the local area. Unlike business rates the levy is held locally by the BID for use in the specific location.

There is no limit on what projects or services can be provided through a BID. The only requirement is that it should be something that is in addition to services provided by local authorities.

Improvements may include, but are not limited to, activities such as marketing and promotion, business support, safety / security, cleansing and environmental improvement measures.

1.3 How is a Business Improvement District established?

Legislation allows for a BID to be set up by the local authority, a business rate payer or a person or company whose purpose is to develop the BID area, or that has an interest in the land in the area.

In Northumberland to date, NCCs approach has been to assist and facilitate the processes required when BID proposals are brought forward by local businesses ensuring that local growth is driven by local partners.

British BIDs (the overarching industry body for BIDs) issues annual industry guidance⁸, the latest guidance for 2017-18 sets out the range of expectations a voter should expect to have of a BID proposal and the process that a BID proposal should go through. The stages of developing a BID are as follows:

- Feasibility

⁸ <http://www.britishbids.info/wp-content/uploads/2017-INDUSTRY-CRITERIA-AND-GUIDANCE.pdf>

- Planning
- Local Authority
- Campaign
- Establishment

As part of the Portas Review into town centres in October 2013 Government set up a £500,000 competitive loan fund to help communities who wish to create a BID overcome prohibitive initial start-up costs. Hexham BID utilised this funding in 2015 to develop its proposals and the funding has subsequently been repaid. Proposals from Morpeth and Blyth have been successful in applying for this funding in 2017. Blyth BID will be subject to reports to the relevant LAC and cabinet too at the appropriate stage. The fund is managed on behalf of the Department for Communities and Local Government (DCLG) by British BIDs, the national umbrella body for BIDs.

1.4 The Business Improvement District proposer

The BID proposer (in Morpeth's case this is Morpeth Town Team) is required to develop a proposal and submit this to the local authority, along with a business plan. Morpeth Town Team have established a pre BID Steering Group made up of volunteers from the local business community. Their role is to lead the development of the BID proposals prior to the ballot using a wide range of engagement and consultation activities.

The proposal should set out the services to be provided and the size and scope of the BID. It will also set out who is liable for the levy, the amount of levy to be collected and how it is calculated.

1.5 The ballot

Prior to a BIDs establishment, businesses that are subject to the levy, as set out in the proposals, vote in a ballot. This determines whether the scheme goes ahead. A successful vote is one that has a simple majority both in votes cast and in rateable value of votes cast. Each business entitled to vote in a BID ballot is allowed one vote in respect of each property occupied or (if unoccupied) owned by them in the geographical area of the BID. Once the BID is in operation the levy is charged on all businesses within the BID area (regardless of whether or how that business voted in the ballot).

1.6 The local authority

As noted in section 1.3, in Northumberland to date, NCCs approach has been to assist and facilitate the processes required when BID proposals are brought forward by local

businesses ensuring that local growth is driven by local partners. The Local Authority role is multi faceted regarding BIDs and includes:

- **Information:** NCC is required to provide information to the BID proposer regarding the potential business base.
- **Ballot Holder:** NCC is required to manage and fund the ballot process.
- **Service Baselineing:** NCC, and also other organisations including the Town Council and Police will be required to produce service baselines. The baselines:
 - establish current service levels in Morpeth of relevant service areas (e.g. local services, tourism, economic development)
 - Enable the BID proposer to identify additional activity that it wishes to deliver.
 - Are published online and referenced in the BID Business Plan enabling voters to review the information prior to voting.
- **Levy Collection Services:** The local authority is required to manage billing and the collection of the levy and will hold the levy in a ring-fenced revenue account on behalf of the BID body.
 - This funding is then passed to the BID to enable operation.
 - The relationship between the Local Authority and BID is set out in a joint operating agreement, which will be published in draft format alongside the BID proposals.
 - National Guidance states that Local Authorities can charge a reasonable fee for levy collection services⁹.
 - NCC will consider the guidance when reviewing the likely resource costs and will propose arrangements for levy collection services in future.
- **Approval:** If the local authority is of the opinion that the BID 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.

⁹ <http://www.britishbids.info/wp-content/uploads/2017-INDUSTRY-CRITERIA-AND-GUIDANCE.pdf>

- The Local Authority will receive the BID proposals in advance of the ballot and this will be presented to both the LAC and then to Cabinet for approval.
- There is also an appeal process through DCLG following the ballot should any concerns be raised.
- **Voter** - as a property owner itself NCC is eligible to vote in the ballot and is allowed one vote in respect of each property occupied or (if unoccupied) owned by them in the geographical area of the BID.
 - NCC will be subject to the levy charge as defined by the levy rules set out in the final business plan at the time of the ballot.
 - Guidance indicates¹⁰ that all Local Authority hereditaments should be included within the BID at full value, however the number should not be such that it may unduly influence any ballot outcome.
 - NCC currently has around 5% (22 properties) of the maximum total number of properties in the proposed Morpeth BID boundary (currently between 440-460 properties depending on other possible exemptions under consideration e.g. local charities) which would be within the currently proposed boundary and levy rules.
- **Levy Payer** -. Depending on the final proposals NCC would be subject to the levy charge alongside other businesses.
- **Delivery / Partner** - The BID or Local Authority can propose partnering arrangements on areas of delivery in the business plan. The BID can also propose to operate areas of current responsibility from the Local Authority as long as full costs are also transferred with the transfer of service responsibility.
- **Termination** - The operation of a BID is the responsibility of the BID Board and Company established operating under the relevant legislative requirements and company law. Legislation¹¹ sets out that the Local Authority may terminate a BID in limited circumstances following the required consultation process.

1.7 Who pays the levy?

The BID proposal must set out who is liable for the levy, the amount of levy to be collected and how it is calculated. The proposal should also provide details of any relief from the

¹⁰ <http://www.britishbids.info/wp-content/uploads/2017-INDUSTRY-CRITERIA-AND-GUIDANCE.pdf>

¹¹ <http://www.legislation.gov.uk/ukxi/2004/2443/regulation/18/made>

BID levy that may apply and who is eligible. The amount and type of relief is dependant on local circumstances but could typically include charity relief.

The latest British BIDs guidance indicates that the levy rate is only appropriate if it does not exceed 2% of rateable value, even in exceptional circumstances¹².

1.8 How long will a Business Improvement District last?

The maximum period that a BID levy can be charged is for 5 years. Once the term is completed the BID will automatically cease. If the BID Company wants to continue its activities it must hold a new ballot.

1.9 Who manages the Business Improvement District?

A BID is managed by a BID body. This is often a private company but can be a partnership with the local authority. Most BID bodies are not-for-profit companies and national guidance recommends this model. In Morpeth's case a not for profit Company Ltd by Guarantee is proposed. A BID Body is led by a Board of voluntary Directors who must be levy payers.

Following a successful ballot, the BID body is responsible for developing and implementing the proposal which sets out how the BID will operate.

They will provide the local authority with this proposal along with the business plan (including the estimated cash flow, and predicted revenue to be generated by the BID) along with the financial management arrangements for the BID body.

¹² <http://www.britishbids.info/wp-content/uploads/2017-INDUSTRY-CRITERIA-AND-GUIDANCE.pdf>