

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE EXECUTIVE

Decision Made: 18 April 2023

Maidstone Town Centre Business Improvement District Round Two

Issue for Decision

To provide an update on the One Maidstone Business Improvement District Round Two for Maidstone Town Centre and seeks endorsement of the BID.

Decision Made

RESOLVED: That

1. It be noted that One Maidstone has served notice of their intention to seek a renewal ballot to the Secretary of State and Maidstone Borough Council.
2. The BID be endorsed.
3. Delegated authority be given to the Director of Finance, Resources & Business Improvement to cast the Council's 24 votes in favour of a BID round two.
4. £5,000 be paid towards the courier costs for the ballot; and
5. If the ballot for a second term of the BID is successful, a new operating agreement and a baseline agreement be entered into with the BID organisation, as was undertaken for the first term of the BID

Reasons for Decision

One Maidstone has been operating the Business Improvement District (BID) for Maidstone town centre since a successful ballot to establish the BID in June 2018. The maximum period that a BID can charge a levy enabling it to operate is 5 years and if a BID wants to continue it must hold a new ballot. One Maidstone is reaching the end of their first 5-year period and have requested a ballot for a second term.

What is a BID?

The Business Improvement Districts (England) Regulations 2004 enabled the formation of BIDs and across England there are now over 300 of them. A BID is a business-led and business funded body that can be formed to undertake activities and projects that the businesses identify as adding value to the area. BIDs usually cover a town or city centre.

A BID delivers additionality to what is already being provided in an area, so, businesses can choose projects and services that they want to invest in. With increasing constraints on local authority budgets, a BID can be a very

welcome tool to complement the work of the local authority. This has been the case with One Maidstone, where the BID has funded a variety of different projects, including town centre CCTV monitoring, town centre ambassadors, enhanced town centre cleaning and run many events, such as the wine weekend, dinosaur easter egg hunt, Christmas trail and Christmas lights.

The main achievements under term one of the Maidstone BID are covered in the term one summary document attached at Appendix 1.

Benefits of BIDs cited by businesses they represent are wide-ranging and include:

- a) Businesses are represented and have a real voice in the issues affecting the BID area
- b) Levy money is ring-fenced for use only in the BID area by the BID organisation (One Maidstone) – unlike business rates which are paid in to and redistributed by public authorities
- c) area promotion
- d) increased footfall
- e) improved staff retention
- f) business cost reductions
- g) facilitated networking opportunities
- h) assistance in dealing with the Council, Police, and other public bodies.

How does the BID work?

Within the defined BID area, a levy is charged on business rate payers, which is in addition to business rates. The BID body sets out who is liable, the amount to be collected and how it is calculated, for example for One Maidstone the levy is only applicable to properties with a rateable value of £15,000 and above in the BID area. BIDs usually set a levy of between 1% and 4% of rateable value.

To set up or continue to operate a BID, there must be a ballot involving each business entitled to vote in that Business Improvement District defined area. A business receives 1 vote for each property it owns in the defined area or if property is unoccupied but owned by them. If the BID ballot is successful, the levy is then mandatory for the eligible business rate payers in that area.

MBC has 24 properties (hereditaments) in the proposed BID levy area and will therefore have 24 votes in the BID round two ballot and will pay a levy on those properties. This will result in a levy payable by MBC of £23,675 per annum.

The BID body prepare a BID proposal or business plan to set out the priorities for improvements in the area and area services, as well as how the BID will be managed and operated. This document becomes legally binding once a ballot has been won and becomes the framework upon which the BID will operate. One Maidstone are currently preparing a new Business Plan, which will be prepared to sit alongside their campaign launch in mid-April 2023.

One Maidstone's BID Round Two

One Maidstone are working with British BIDS, who has allocated Trish Willetts, Membership Relations Manager, to guide them through the round two ballot process.

Following feedback from some businesses, One Maidstone has extended the existing BID area slightly for Round Two to include the Crown Courts, Lockmeadow complex and Market building on the west side of the River Medway. The proposed Round Two BID boundary can be found at Appendix 2.

Businesses within the proposed BID area have been contacted and are being consulted in a variety of ways, face-to-face, email, social media, printed questionnaires and workshops. A microsite has also been produced <https://onemaidstonereview.co.uk/>

The results from this engagement have seen a series of themes emerge of what the businesses want to see:

- Maintain (clean and safe),
- Marketing and Promotions, and
- Signature Events.

Notification to the Secretary of State and the Ballot Holder (the Council's Returning Officer) requesting the Local Authority to hold the ballot have been sent.

One Maidstone have proposed a 1.747% levy rate for all businesses within the BID area with a rateable value of £15,000 and above reducing to 1.164% for those businesses that already pay a service charge to their landlord for example in the three shopping centres and Lock meadow. This is up from 1.5% and 1% respectively in the first round. This would generate an income of approximately £2,471,312.55 over the next five years. The first round generated income of approximately £2.15m.

When is the Ballot and what is the Council's role?

The ballot will run from 1 June to 29 June 2023. If successful, the round two BID period would start from 1 October 2023 and run for five years.

MBC will conduct the ballot as a postal ballot in June 2023 and will act as the billing body, as it did under the round one BID. Rate payers will have 28 days to vote. The ballot will be determined by a dual key mechanism which means that more than 50% of those who vote by Rateable value and by the number must vote 'yes'.

MBC will enter into a baseline agreement with the BID organisation. This will identify MBC's statutory obligations which will allow the BID to enhance those services where appropriate in line with the business plan. The baseline agreement will include services such as cleansing, community safety and parking services for the car parks MBC owns. This is in line with the round one BID.

MBC will enter into an operating agreement with the BID organisation. This agreement will formalise MBC's clerical role to the round two ballot itself and the

ongoing levy collection. It will also identify MBC's role on the BID board. Again, this is in line with round one BID.

MBC will have 3 observatory seats on the BID Board for officer representatives and two members, where the BID falls under their portfolio, can attend the advisory board.

Alternatives considered and why rejected

Option 1 - To endorse the Round Two BID and vote in favour for the Council's 24 hereditaments.

Option 2 - MBC could choose to not endorse the Round Two BID. This is not recommended as the Council recognises the additional benefits the BID has brought to the Maidstone Town Centre. One Maidstone have been a key partner in supporting and delivering the Council's ambitions for our town centre including our local investment funded by the UK Shared Prosperity Fund. One Maidstone has leveraged a significant amount of spending in the town centre through the levy. If the ballot is lost a significant amount of funding, positive activity, promotion, and resource for the town centre would be lost.

Background Papers

None.

I have read and approved the above decision for the reasons (including possible alternative options rejected) as set out above.

Signed: _____
Leader of the Council.



Full details of both the report for the decision taken above and any consideration by the relevant Policy Advisory Committee can be found at the following area of the [website](#)

Call-In: Should you be concerned about this decision and wish to call it in, please submit a call-in form signed by any three Members to the Proper Officer by: **5pm on Thursday 27 April 2023.**