

**ECONOMIC REGENERATION
AND LEISURE POLICY
ADVISORY COMMITTEE**

4 April 2023

**Maidstone Town Centre Business Improvement District
Round Two**

Timetable	
Meeting	Date
ERL PAC	4 April 2023
Executive	18 April 2023

Will this be a Key Decision?	Yes
Urgency	No
Final Decision-Maker	EXECUTIVE
Lead Head of Service	William Cornall – Director of Regeneration and Place
Lead Officer and Report Author	Karen Britton, Head of Spatial Planning and Economic Development Manager Chris Inwood, Economic Development Manager
Classification	Public
Wards affected	High Street, North, and Fant Wards

Executive Summary

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

Purpose of Report

Decision

This report asks the Committee to consider the following recommendations to the Executive:

1. To note that One Maidstone has served notice of their intention to seek a renewal ballot to the Secretary of State and Maidstone Borough Council.
 2. To endorse the BID.
 3. To delegate authority to the Director of Finance, Resources & Business Improvement to cast the Council's 24 votes in favour of a BID round two.
 4. To pay £5,000 towards the courier costs for the ballot.
 5. If the ballot for a second term of the BID is successful, to enter into a new operating agreement and a baseline agreement with the BID organisation, as was undertaken for the first term of the BID.
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Maidstone Town Centre Business Improvement District Round Two

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<ul style="list-style-type: none"> • A Thriving Place <p>Accepting the recommendations will materially improve the Council's ability to achieve its priority of Regenerating the Town Centre and continuing the Town Centre services provided by the BID in round one</p>	Head of Spatial Planning and Economic Development
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendations support these.</p>	Head of Spatial Planning and Economic Development
Risk Management	Already covered in the risk section	Head of Spatial Planning and Economic Development
Financial	There is provision in existing budgets for the BID levy and the increase from 1.5% to 1.747% can be absorbed within existing budgets. The BID company pays the Council an annual fee for the ongoing annual cost of collecting the BID levy. The levy payable by MBC would be £23,675 per annum.	Section 151 Officer & Finance Team
Staffing	<ul style="list-style-type: none"> • We will deliver the recommendations with our current staffing. 	Head of Spatial Planning and Economic Development

Legal	<ul style="list-style-type: none"> • Accepting the recommendations in the report is within the Council's powers in accordance with the Business Improvement Districts (England) Regulations 2004, Part 4 of Local Government Act 2003 and the Business Rate Supplements Act 2009. • The process outlined in the regulations must be followed in administering the ballot and in relation to the Council's participation in the BID. • Acting on the recommendations is within the Council's powers as set out in the Council's Constitution. 	Interim Team Leader (Contentious and Corporate Governance)
Information Governance	The recommendations will impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes. The Information Governance Team have reviewed the processing of personal data affected and the associated documentation has been updated accordingly, including a data protection impact assessment and information sharing agreement.	Information Governance Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment.	Equalities & Communities Officer
Public Health	<ul style="list-style-type: none"> • We recognise that the recommendations will have a positive impact on population health or that of individuals. 	Public Health Officer
Crime and Disorder	<ul style="list-style-type: none"> • The recommendation could have a positive impact on Crime and Disorder in the Town Centre. 	Head of Spatial Planning and Economic Development
Procurement	On accepting the recommendations, any procurement by the Council will then follow procurement process and will complete those exercises in line with financial procedure rules.	Head of Service & Section 151 Officer

Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and; <ul style="list-style-type: none"> • There are no implications on biodiversity and climate change. 	Biodiversity and Climate Change Officer
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2. INTRODUCTION AND BACKGROUND

2.1 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?

2.2 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.

2.3 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.

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

2.5 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?

- 2.6 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.
- 2.7 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.
- 2.8 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.
- 2.9 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

- 2.10 One Maidstone are working with British BIDS, who has allocated Trish Willetts, Membership Relations Manager, to guide them through the round two ballot process.
- 2.11 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.
- 2.12 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/>
- 2.13 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.

- 2.14 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.
- 2.15 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 Lockmeadow. 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?

- 2.16 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.
- 2.17 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'.
- 2.18 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.
- 2.19 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.
- 2.20 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.

3. AVAILABLE OPTIONS

- 3.1 Option 1 - To endorse the Round Two BID and vote in favour for the Council's 24 hereditaments.
- 3.2 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.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 1 to support the Round Two BID is the preferred option for the reasons set out in this report.
 - 4.2 The Council's continuing support for the BID will demonstrate its continued commitment to the Town Centre and its businesses. This builds on the investments already made in the town centre in public realm, other capital projects, work on the emerging Town Centre Strategy and associated suite of town centre work and the UK Shared Prosperity Fund investment plan.
 - 4.3 Without support, all of the significant work that the BID has achieved under round one will cease.
 - 4.4 There would be significant reputational damage to the Council if we were not seen to support the BID Round Two and it would not send a positive message to potential grant funders and investors in the town centre.
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5. RISK

- 5.1 The risks associated with this proposal, including the risks to the Council if it does not act as recommended, have been considered in line with the Council's Risk Management Framework and are highlighted in this report. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The proposal for a round two BID ballot has been discussed at Informal Executive on the 15th March 2023.
 - 6.2 Previous Council committees supported the round one BID ballot that was successful.
 - 6.3 One Maidstone, the BID organisation, has been and will continue to consult with businesses within the proposed BID area in the development of the business plan and priorities.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 MBC will conduct the round two ballot (which will be postal) in June 2023 on behalf of the BID organisation and in accordance with the regulations will bear the costs for this including £5,000 for a courier.

7.2 MBC will endorse the BID Round Two.

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: One Maidstone Achievements 2020-2023
 - Appendix 2: BID extension map
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9. BACKGROUND PAPERS

None