

Andover Business Improvement District (BID) Ballot – Test Valley Borough Council’s Voting Position

Report of the Leader and Strategic Regeneration and Partnerships (North) Portfolio Holder

Recommended:

That the BID proposals submitted by Andover Town Centre BID Limited be considered and how the Council vote in the ballot on the BID proposals be determined.

SUMMARY:

- A ballot for the continuation (until 2029) and extension of the arrangements Andover Town Centre Business Improvement District (BID) is being held.
- This report seeks a decision on how the Council’s votes should be exercised in the BID ballot.

1 Introduction

- 1.1 A Business Improvement District (BID) is a defined geographical area where business ratepayers pay a BID levy in addition to business rates. A BID can only be created following proposals (BID proposals) which are usually prepared by a locally-based organisation (the BID proposer). The BID proposals set out what services the BID proposer will provide within the BID area if the BID proposals are approved. These services are over and above those which local authorities would normally provide, the intention being that businesses which fund the services through the BID levy obtain a benefit in return for their contribution.
- 1.2 BID arrangements only take effect if they are approved by the businesses in the BID area that would pay the BID levy. A formal ballot of these businesses is undertaken by the council (the billing authority) which administers business rates in the area, and a majority of those voting (both in terms of numbers *and* the rateable value of the premises they occupy) must vote in favour of the proposals for them to be approved.
- 1.3 If approved, the BID levy is collected by the billing authority and passed to the BID company, which then delivers the services which were set out in the BID proposals. Usually (and as is the case in Andover), the BID company is run as a company limited by guarantee, by directors who are representatives of the local businesses in the area.

- 1.4 There are about 300 BIDs in the UK. A BID was established for Andover town centre in 2019, when a ballot approved BID proposals lasting until March 2024.
- 1.5 Andover Town Centre BID Limited, which has operated the Andover BID since 2019, has prepared proposals for the five years from April 2024, for an enlarged area covering the town centre and the area around Anton Mill Road. Following a report in August 2023 to Cabinet, arrangements have been put in place for a ballot to be held to determine whether these proposals are approved by the businesses affected. The ballot will be held over a six week period ending on Thursday 2 November 2023.
- 1.6 This report seeks a decision on how the Council's votes should be exercised in the BID ballot.

2 Background

- 2.1 Andover BID came into effect April 2019, following a ballot in autumn 2018.
- 2.2 BID terms run for a maximum of 5 years. Andover Town Centre BID Limited have submitted proposals for the five years from April 2024. As noted in the Introduction above, BID arrangements must be approved by a formal ballot process. Following Cabinet's decision on 23 August 2023, arrangements for the ballot to consider these proposals have been made, with the ballot period running from 5 October 2023 until 5pm on 2 November 2023. The results of the ballot will be publicly announced on 3 November 2023.
- 2.3 If the ballot approves the BID proposals, the second term of the Andover BID will commence on 1 April 2024 and extend for five years, ending on 31 March 2029.
- 2.4 Entitlement to vote in the BID ballot is based on the liability to pay business rates on a property at the date the Notice of Ballot is published (Thursday 21 September 2023).
- 2.5 In order for the BID proposals to be approved, both of the following two conditions must be met:
 - A majority of votes received must be in favour of approving the BID proposals
 - A majority of rateable value from the votes received must be in favour of approving the BID proposals (the rateable value considered is the value in place at the date the ballot closes, which is 2 November 2023)

Essentially, there must be a majority in favour of approving the proposals, both in terms of number of votes cast *and* in terms of the rateable value, of those votes cast.

- 2.6 The Borough Council is a business ratepayer for 23 properties within the proposed BID area, and therefore it has the right to vote in the BID ballot. This report sets out background information and the results of an engagement exercise that was undertaken in July 2023, to inform Members and allow Cabinet to determine how the Council should exercise the votes for its properties.

- 2.7 Based in the BID area as set out in the BID proposal, the Council would be eligible for 23 votes out of 242 properties. The Council's properties have rateable values totalling £1.128M out of a total for all properties within the area of £10.944M.
- 2.8 Should the BID ballot approve the BID proposals for the following five years, the Council would be liable for a BID levy of approximately £20,000 per year. This is already included in the base budget.
- 2.9 In order to prepare for the decision on how the Borough Council should exercise these votes, an engagement exercise with the business community was carried out in July 2023 as outlined in Section 4.

3 Corporate Objectives and Priorities

- 3.1 The Council's Corporate Plan 2023 – 2027 identifies working proactively with key partners to enhance the economic prosperity of Andover.

4 Consultations/Communications

- 4.1 An engagement exercise with the business community was carried out during July 2023 to understand what the BID might be encouraged to achieve in a second term, to help inform Members' decision on how the Council should vote in the BID ballot.
- 4.2 The Council engaged the Southern Policy Centre to lead the sessions and to provide independent facilitation and reporting of the outcomes. The intention was to adopt the principles of a deliberative approach so that it would provide feedback reflective of the population of businesses that fall within the BID area. In keeping with this approach this would also include the input of external evidence for participants to consider and discuss.
- 4.3 Two sessions were held, one on the morning of 3 July and the second early evening of 7 July, in order to allow for as many businesses to attend as possible. Thirteen businesses attended the first, fourteen the second – all based in the Andover BID's area. Whilst the final numbers were adequate, the response was not as strong as hoped. However, the sessions did bring together a reasonable cross section of businesses from across the BID area.
- 4.4 The format of the event included lightning presentations from Professor Chris Turner from the University of Winchester, the TVBC Economic Development Officer and the BID team to give participants evidence through which they could discuss the following questions:
- What should be the experience of future visitors to Andover Town Centre?
 - What practical actions can be taken to realise these outcomes, and how do you see the role of the BID?
- 4.5 The priorities for action that the BID should consider discussed fell into six broad categories:

- **Encouraging inward investment**, bringing new and diverse retail businesses into the Town Centre.
- **Creating an attractive and well-maintained public realm.**
- **Building a regular programme of events**
- Whilst Andover Town Centre is seen as safe, there was **general support for an expansion of the Rangers scheme**, including with an evening presence. However, this enthusiasm was tempered by the demand that they must show value for money.
- **The Town Centre needs to be more accessible.**
- **Bring together the Town Centre's offer.**

- 4.6 In all, 27 businesses took part in these discussions. That is a small cross-section of the Town Centre's business community, so it is difficult therefore to say that the outcomes of this work were a truly reflective view of local businesses from across the BID area.
- 4.7 However, the two sessions certainly generated a rich seam of ideas and demonstrated the enthusiasm for a positive future for the town centre. Overall, participants considered that Andover Town Centre BID had done some good things in their first term, and wanted to see them build on that solid start should the BID proposals for the next five years be approved.
- 4.8 Professor Chris Turner from the University of Winchester spoke about the range of impacts an established BID could have, and discussed how each successful BID evolved over time to meet local challenges and priorities. That message was reflected in the desire of most participants to see more impact, reflecting businesses' ambition for the Town Centre in future.
- 4.9 In summary, the headlines from the business engagement exercise are that there was a general level of support for the BID as it moves towards its second ballot. Key areas for the BID to consider as part of its next business plan are around:
- **Enhancing its leadership and representation role:** how can it do more to be a productive voice for local business as part of wider partnerships such as the Andover Vision and add value as a result, recognising that the BID area is part of the wider Andover economy.
 - **Approach to community safety:** general acceptance that the BID's focus on community safety had provided some reassurance and value to local retailers which includes initiatives such as the Rangers and radios and that safety is an important issue that the BID should focus on. However, the feedback was that this needs to be developed further so that it is not just focused on daytime retailers and should be seen as part of a wider approach to Andover town centre being a great place to spend time in. e.g., potential more progressive / proactive work such as Purple Flag (the accreditation for management of evening/night time economy of town centres) rather than just focusing reactive measures such as Rangers.

- **Events and activities** – seen as an ever more important part of the BID offer in Andover and one which businesses felt needed to develop further as part of supporting the town centre to thrive. However, the BID should also recognise that without other partners' investment (such as the Borough Council) the programme would look a lot different. The BID should set out how it sees itself adding more value to this work and bringing greater focus to it aligned with the emerging place brand values through the Andover Vision.

4.10 The Council has now received the final Business Plan from the Andover BID which proposes the following initiatives:

Continuation of Existing Initiatives

- Increase Footfall and Spending in the Town Centre
- Develop the INAndover Town Directory
- Improve Data Collection and Analysis
- Strengthen Partnerships with Local Businesses and Organisations

New Initiatives

- Expand activities to enhance safety in Andover,
- Collaborate with key partners to proactively address local climate change issues.
- Seek opportunities to diversify funding sources,
- Foster strong relationships

4.11 The Business Plan does go some way to reflect the outcomes from the business engagement process set out above. However, the published initiatives are very much headline, and if the Bid proposals were approved, Andover Town Centre BID would need to ensure that they can be delivered, ensuring that detailed and robust actions are put in place to do so.

5 Options

5.1 As the rateable occupier of premises within the proposed BID area, the Council has a number of votes which it can exercise. The report considers the options available to the Council in respect of exercising these votes at the ballot for the BID proposals for 2024-2029 in the BID ballot. The options include:-

- Exercise all votes **in favour** of approving the BID proposals
- Exercise all votes **against** approving the BID proposals
- **Abstain completely** from voting (not exercising any votes)

6 Option Appraisal

6.1 As the rateable occupier of several premises in the BID area, the Council is entitled to exercise its votes in the same as any other business. The Annex is a copy of the full BID Proposals which have been published by Andover Town Centre BID, so Members are able to understand the services and measures

Andover Town Centre BID intend to provide if their proposals are approved under the ballot process. In addition, the business engagement process outlined in Section 4 of this report provides further information on the reaction to those proposals of those businesses that participated in the business engagement exercise. Officers who attended the business engagement meetings will be at the Cabinet meeting and can provide further information to Members if required in order to assist Cabinet reaching a decision.

- 6.2 Alternatively, as set out in Section 5, the Council is entitled to abstain completely from the ballot if it wishes.
- 6.3 In considering these options it should be noted that there has been ongoing engagement to reflect a range of views to allow any decision to be evidence based. This engagement included the deliberative engagement events with businesses held in July. In addition, there has been dialogue with businesses within the BID area. The Borough Council has also reflected on its own interactions with the BID.
- 6.4 **Option 1: To exercise all votes in favour of approving the BID proposals**
 - 6.4.1 Voting for the BID would provide a clear indication of the Council's support for a second term of the BID and the proposals it has set out in its business plan.
 - 6.4.2 At the deliberative engagement events it was recognised that progress has been around some key initiatives including the benefit some businesses have had in regards to community safety initiatives and support for local events. The business plan sets out a continuation and expansion of these activities upon a successful ballot.
 - 6.4.3 There are clear benefits to the role BID's play in supporting town centres to thrive. The BID expert who gave a presentation at the Engagement Events explained that a first term BID can be developmental in nature, from which they can build and expand their offer in subsequent terms. A BID also provides a business voice and the ability to focus on business priorities. This can be an important role through which share wider ambitions for a place can be shared with town centre businesses. As a rate payer within the town centre we are also a stakeholder within the BID.
 - 6.4.4 Voting for the BID would enable the Council to be able to work proactively and constructively with the BID to deliver shared ambitions and priorities.
- 6.5 **Option 2: To exercise all votes against the BID proposals**
 - 6.5.1 Voting against the BID would be a clear indication that the Council does not approve the BID proposals.
 - 6.5.2 It is not unreasonable to reflect that not everyone has benefited from the BID and that the added value is limited. However, this is a first term BID that has made progress and has ambition to do more and the Council has expressed its broad support for the principle of a BID on the basis that it delivers on local priorities.

6.6 Option 3: To abstain completely from voting (not exercising any votes)

- 6.6.1 Feedback from the business engagement has shown broad support for the BID, but this should be caveated by it only being based on a small sample. The main function of a BID is to be a business led organisation focused on delivering business priorities. Therefore there is an argument that the ballot result should be decided purely by businesses and so a local authority should not influence the outcome.
- 6.6.2 Abstaining from the vote would not be a vote against the BID. It would leave the decision solely to businesses within the BID area. The potential advantage of this is that could strengthen the standing of the BID in that its future mandate is derived directly from local businesses for whom the BID is accountable to. A successful re-ballot without the council's votes could provide a demonstration of how the BID has built its credibility with local businesses over the course of the first term.
- 6.6.3 However, there are risks associated with abstaining. It could be perceived as a "no" vote and as a reflection on the BID performance to date. It could harm future relations with the BID and the wider business community should the BID gain a second term and limit the influence that the Borough Council would have as a stakeholder and rate payer within the town. Should the BID not gain a second term it could be seen as lack of support to those businesses that are supportive of the BID and active in the town centre.

7 Risk Management

- 7.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

8 Resource Implications

- 8.1 This decision has no resource implications. If the ballot does not approve the BID proposals, the current BID arrangements will end on 31 March 2024, and there would be a budget saving in respect of ongoing levy payments. Options for that would be considered as part of the budget process, once the outcome of the ballot is known.

9 Legal Implications

- 9.1 There are no legal implications arising from the proposed recommendation.

10 Equality Issues

- 10.1 There are no equality issues triggered as part of this recommendation.

11 Other Issues

- 11.1 Sustainability and Addressing a Changing Climate – None
- 11.2 Wards/Communities Affected – St Marys Ward and Winton

12 Conclusion and reasons for recommendation

- 12.1 The Council is currently liable for business rates on 23 hereditaments within the area covered by the proposed BID which gives the Council 23 votes in line with the BID Ballot process.
- 12.2 The report considers the options available to the Council in respect of exercising these votes at the ballot for the BID proposals for 2024-2029.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Leader) Councillor P North			
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Report to:	Cabinet	Date:	4 October 2023