



Belfast City Council

Report to:	Development Committee
Subject:	Consultation: DSD - Business Improvement Districts (BIDS) / Proposal for BIDS Seminar
Date:	22 February 2011
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1	Relevant Background Information
1.1	The Department for Social Development (DSD) has recently launched a consultation on Business Improvement Districts (BIDs) and Licensing of Pavement Cafes. The deadline for the submission of responses to this consultation is 28 February 2011.
1.2	Given the range of issues associated with both items, it is proposed to prepare separate responses to the two elements of this consultation i.e. one response relating to BIDs and a separate response focusing on the licensing of pavement cafes. The latter consultation will be led by the Health and Environmental Services Committee while the Development Committee will lead on the BIDs response.

2	Key Issues
2.1	The consultation paper sets out the key principles behind a BID, examples of the types of BIDs that can operate, an overview of the benefits for all parties involved and some guidance as to how to ensure a successful BID.
2.2	The specific roles of a council are defined. These include: <ul style="list-style-type: none">- Provision of key information to the BID partnership (ratings information and baseline service information) to assist with the development of BIDs proposals and calculation of the levy- Organisations of formal BIDs ballots- Collection and enforcement of the levy.

	<p>The consultation paper also suggests that local councils will “play an important facilitating role” in the development of a BID in their area.</p>
2.3	<p>The consultation paper defines a BID as means of allowing “businesses within a defined area to vote for collective investment in specific additional services in order to improve the commercial environment within that area”. Additional services or projects are funded by a local business levy and all businesses within a potential BID have the opportunity to vote on proposals before the levy is imposed.</p>
2.4	<p>The paper reinforces the message that BIDs are led by businesses but they also note that there is generally a significant degree of cooperation and collaboration with the relevant local authority.</p>
2.5	<p>In preparation of this draft response, discussions have taken place with Belfast City Centre Management (BCCM) to gauge the level of interest and awareness of BIDs within the BCCM area. In addition, a number of meetings have take place with Department for Social Development to understand their expectation of BIDs and to identify how they see BIDs fitting within their wider regeneration and town centre development initiatives.</p>
2.6	<p>It is understood that the BCCM have been undertaking a significant degree of consultation with their members on the BID proposals. Feedback suggests that members are widely supportive of being involved in a BID and note that they would like to see BIDs resources being used towards a range of services including:</p> <ul style="list-style-type: none"> - Cleaner and greener – targeting specific issues such as chewing gum, flyposting and recycling campaigns - Marketing and promotion – buy-in to agreed marketing campaigns and resources for additional city dressing - Safety and security measures – development of the City Centre Beat initiative and support for additional safety measures such as Contact Points.
2.7	<p>Within BCCM’s response, a number of potential BIDs areas have been identified within the city centre including:</p> <ul style="list-style-type: none"> - The main retail core - The Cathedral Quarter – focus on evening economy and events-related activities - The office quarter south of City Hall (Linenhall Street, Bedford Street, Adelaide Street).
2.8	<p>It is understood that a number of other areas have expressed an interest in developing a BID. These include the Lisburn Road, where there is already an established Business Association whose members are making a financial contribution towards a range of marketing and promotional activity, and the Cathedral Quarter Steering Group.</p>
2.9	<p>Based on our analysis, there appears to be a range of critical success factors in any BID:</p> <ul style="list-style-type: none"> - They must be business-led - Successful BIDs have a genuine public-private sector partnership based on a clear, focused and measurable business plan - An upper limit of approximately 600 businesses seems to be the size beyond which the BID becomes unwieldy - BIDs require significant investment in the preparation stage: it is estimated

	<p>that it takes 12-18 month preparatory work before a BID can become operational.</p> <p>2.10 From a Belfast City Council perspective, there are a number of positives that could ensue from the introduction of this legislation – principally a greater buy-in and commitment from the businesses to improving their operating environment. However there are a number of questions, issues and concerns and these have been captured in the draft response to the consultation. They include:</p> <ul style="list-style-type: none"> - Collection of the business levy: there is significant concern about councils' role in this, as outlined in the draft legislation. It is suggested that this role should be carried out by Land and Property Services, as part of the rates collection work - Work involved in providing detail of a baseline of services: much of the development activity undertaken to support businesses is discretionary and can vary in focus and in value from year to year. Even within statutory provision, this is subject to change, based on changing priorities and the drive for service efficiencies - The consultation paper suggests that tenants rather than property owners should be involved in a BID. While we appreciate the difficulties in tracing owners and acknowledge the concerns that owners will pass on the levy to a tenant in the form of increased rates, it would be important, where possible, to engage owners in BIDs <p>2.11 Members should also be aware of a number of wider issues raised by this proposed legislation:</p> <ul style="list-style-type: none"> - While the legislation suggests that councils are not expected to make a financial contribution to a BID, practice elsewhere suggests that councils have tended to provide financial support towards management costs of BIDs - Consideration will need to be given to the impact on wider service delivery of any demands from a BID. <p>2.12 The consultation document is centred around a number of questions including:</p> <ul style="list-style-type: none"> - Are the respective roles of local councils and the Department considered appropriate? - Most of the detailed regulation of BIDs will be covered by secondary legislation and will therefore be the subject of another consultation. However we would be interested to hear at this stage about the degree of prescription which stakeholders feel should be applied to the procedures for this element of the BID process, i.e. the development of proposals, consultation on proposals etc. - Do you agree with the proposal not to require landlords to become involved in the operation of BIDs? - Is it reasonable to frame the voting system in terms of votes cast, rather than eligible votes. Should a minimum turnout be specified in order to validate a ballot? - Is this a reasonable balance between areas to be covered by legislation and those which will be left to local discretion? - What degree of guidance and support would be welcome from the Department? <p>2.13 DSD have suggested that they would be keen to progress to draft primary legislation within the timeframe of the current Assembly. If this progresses according to plan, it is suggested that the legislation could be in place by Spring/Summer 2012.</p>
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2.14	<p><u>Exploring the implications of BIDs for Belfast:</u> <u>Proposed seminar with Commissioner Rob Walsh</u> Rob Walsh is the Commissioner for Small Business Services in New York city. As part of his brief, Commissioner Walsh is responsible for the 64 Business Improvement Districts which deliver nearly \$80 million dollars in supplementary services for the direct benefit of more than 64,000 businesses in the city.</p>
2.15	<p>Commissioner Walsh will be in Belfast on 10/11 March as part of his participation in the One City Conference referenced elsewhere in these committee reports. There is an opportunity to organise a seminar on BIDs as part of his visit. This will offer a mechanism to raise awareness of the opportunities presented by BIDs, to debate some of the challenges presented to the city administration in working with BIDs and to ultimately help us shape our ongoing discussions with DSD.</p>
2.16	<p>The proposed date for the seminar is 10 March 2011. The event may be organised in conjunction with Belfast City Centre Management.</p>

3	Resource Implications
3.1	<p><u>DSD Consultation</u> There are no immediate resource costs associated with this consultation response. There are longer term resource implications associated with the possibility of business improvement districts being established. These are covered in the main body of this paper and include: collecting fees, managing the BID account, managing the ballot process, and being able to clearly define what Council services will be provided as part of the core rates and what services are extra.</p>
3.2	<p><u>Commissioner Walsh Seminar</u> There are no excessive costs required to hold the seminar given that Commissioner Walsh is already in Belfast attending the One City Conference. Up to £500 is required for hospitality.</p>

4	Equality and Good Relations Considerations
4.1	<p>There are no equality and good relations considerations associated with this response.</p>

5	Recommendations
	<p>The Committee is asked to :</p> <ol style="list-style-type: none"> 1. Approve the attached draft consultation response; and 2. To raise any issues about the draft response that they wish to be included 3. To agree to holding a BIDs seminar on 10 March 2011 with Commissioner Rob Walsh as keynote speaker and agree to hospitality costs up to £500.

6	Decision Tracking
No specific timeframe for decision tracking.	

7	Key to Abbreviations
BCCM – Belfast City Centre Management BID – Business Improvement District DSD – Department for Social Development	

8	Documents Attached
Appendix 1 – Department for Social Development – Business Improvement Districts and Licensing of Pavements Cafés – consultation paper Appendix 2 – Draft Belfast City Council response – Business Improvement Districts.	