

**Report To:** Cabinet

**Date of Meeting:** Monday, 31 January 2022

**Report Title:** Hastings Business Improvement District

**Report By:** Victoria Conheady, Assistant Director Regeneration and Culture

**Key Decision:** Y

**Classification:** Open

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### **Purpose of Report**

1. To provide an update on the progress towards a second term ballot for Love Hastings Ltd – Business Improvement District.
2. To seek approval to delegate authority to the Assistant Director of Regeneration and Culture and Chief Financial Officer in consultation with the Lead Member for Regeneration to agree with the BID Board, the BID Business Plan and BID Operating Agreement. This will include the final BID boundary, levy and exemptions, charges and arrangements for collection of the levy and carrying out the ballot.

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### **Recommendation(s)**

1. **To support the progress towards a potential second term of Love Hastings Ltd, including operating the ballot process on their behalf, and managing the collection of the BID Levy should an overall ‘yes’ vote be secured at the ballot.**
2. **To delegate authority to the Assistant Director of Regeneration & Culture, in consultation with the Lead Member for Regeneration to cast the HBC votes on its own hereditaments that will attract a levy.**
3. **To give delegated authority to the Assistant Director of Regeneration & Culture and the Chief Financial Officer, in consultation with the Lead Member for Regeneration to agree with the BID board the BID Business Plan and BID Operating Agreement.**

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### **Reasons for Recommendations**

The BID is shortly reaching the end of its first five-year term on the 31 March 2022. The BID members voted at their AGM on 8 December 2021 to go to ballot for a second term on the current boundary arrangements. Government BID Technical Guidance dictates that Hastings Borough Council are required to support the BID through the management of the ballot process and the management and collection of the subsequent levy payments, should a ‘yes’ vote result be declared after the ballot. This also includes the Council approving and supporting the ambitions detailed within the Business Plan.

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## Introduction

1. Love Hastings Ltd – the Business Improvement District (BID) for Hastings has been operating within Hastings Town Centre for the last five years. BIDs are allowed to operate for a maximum five-year term before ceasing or going to ballot of their members for a further term.
2. Love Hastings Ltd held their AGM on 8 December 2021, where members voted ‘yes’ to balloting the current boundary levy payers for a second term running from 1 April 2022 – 31 March 2027.

## Summary Information on the Process

3. The process for establishing a second term of a BID is detailed in the Government’s Technical Guide for Local Authorities. The link is provided below under Background Information. It is in place to support BIDs and the respective Local Authorities for a particular BID area in delivering a ballot and processing and collecting of subsequent levy payments. Within this LAs are required to manage and run the ballot process as well as manage and collect the levy payments on behalf of the BID.
4. HBC and the Secretary of State were formally notified by the BID of their intention to hold a ballot on 11 November 2021. The ballot will open on 24 February 2022 and run for 28 days, closing at 5pm on 24 March 2022. The start date and first collection of the levy will be 1 April 2022.
5. If the ballot vote result is ‘yes’ for a second term, then the BID will be in place for a period of five years until 31 March 2027.
6. The projects or services that are delivered in a BID area should be over and above those that the local council, police and other public sector organisations are currently providing. To demonstrate this, a statement of baseline services has been drafted and it is best practice that this is reviewed annually. It will also be available for any business eligible to vote in the ballot during the process.
7. The activities proposed to be delivered by Love Hastings Ltd (BID) are detailed within their final draft Business Plan in Appendix A. This will be available to be viewed on the Love Hastings Ltd website.

## The Ballot

8. BIDs are established by achieving a ‘dual key’ majority at a BID ballot, which is run impartially by the local authority or its nominated agent. A majority of those that vote must be in favour both by number and by rateable value. HBC has appointed CIVICA to run the ballot on its behalf as internal staffing demands are high due to the local election in May 2022. The ballot is run much like a local election in terms of process. The cost of this is approximately £4,000, and provision is made in the operating agreement to reclaim the costs for the election process.
9. All the businesses liable to pay the BID levy (within the boundary) are eligible to vote. This includes all statutory and non-statutory authorities with premises and business rate liability in the area. Organisations that have a rateable value of below £5,000 are exempt and are not eligible to vote.

## BID Levy

10. The proposed BID levy boundary is shown in Appendix B. This is the same as the current BID boundary with some very minor amendments. This is however not the final agreed boundary which will be confirmed when the business plan for the BID is finalised. Several considerations will be taken into account when determining the boundary, including:
  - the general level of business support / participation from the particular areas
  - the amount of levy expected to be collected from these areas
  - assessment of resources required to support the areas
11. The current proposed boundary includes approximately 480 hereditaments and is expected to generate between £174,000 and £210,000 per year depending on the discounts confirmed as part of the scheme (e.g. charity relief, serviced tenancy discounts etc). The level of income will depend on the number/type of exemptions and the levy percentage.
12. The BID levy percentage, proposed by the BID board, is 1.25% of rateable value. It is proposed that this is payable by all businesses with a rateable value of £5,000 and over. This includes education and public authorities. 80% rate relief to local charities is also included. Tenanted service charges will be 1%.
13. A final draft BID business plan is available in Appendix A for consideration and comment from the local authority and town centre businesses. The final version of the BID business plan will be available before the ballot period.
14. The BID levy is collected by the local authority on behalf of the BID. The funds are then forwarded to the BID Board to spend on the agreed measures. The arrangements will be reflected in an Operating Agreement set out by the Council (Appendix B). This will define the principles and processes for collecting the levy and associated charges; arrangements to report back on collection service; and recovery and enforcement arrangements. These details will be agreed with the BID Board as it finalises its business plan.
15. The request for levy payment will continue to follow the current approach employed throughout the first BID term. A separate BID bill is sent that includes a clear logo for the BID on the header. This helps to ensure businesses recognise that the BID is delivering specific services over and above that which is delivered by the local authority.
16. The Council's collection charge for managing the levy process is to be based on the cost of recovery, which is expected to be no more than 3.5% of the income collected or £35 per hereditament (whichever is lower). This is in line with industry good practice (Technical Guide for Local Authorities p.11). The charge will be recovered from the total bid levy collected.
17. Finally, after collection, the funds are passed directly to the BID Company. The BID will continue to have its BID Board that will oversee the BID projects and work set out in the business plan.
18. The BID Company structure is Love Hastings Ltd, a not-for-profit company limited by guarantee. Details of their company number and registered address are contained within the business plan.

19. The Council has right to veto the BID and should satisfy itself that the BID proposal does not conflict with any existing Council policy nor propose a disproportionate burden on particular businesses.
20. The Council notes it will also have liability to pay the BID levy on its own eligible properties. This is currently estimated at £7,209.15 per year for five years.

## Conclusion

21. A successful BID represents an opportunity to contribute towards improvements in the town centre, with limited risk to the local authority. This is primarily financial in terms of underwriting the cost of the ballot as above.
22. The yearly income level can be used as leverage to bring in other funding sources, including those supporting the recovery from Covid, levelling up and town centre regeneration opportunities such as the Town Deal programme.
23. As it is the businesses themselves who determine the spending priorities, the project should foster ownership, and increased business participation in the governance of the Town Centre.

## Background Information

BID Technical Guidance: <https://www.gov.uk/guidance/business-improvement-districts>

## Timetable of Next Steps

24. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Ballot preparation and delivery	Ballot closes 5pm 24 March 2022	25 March – result announced by 5pm	Regeneration Team
Levy collection preparation	Collection commences from 1 April 2022	Payments processed 1 June 2022	Revenues & benefits Team

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## Wards Affected

Castle

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## Policy Implications

Reading Ease Score:

Have you used relevant project tools?: Yes

**Please identify if this report contains any implications for the following:**

**Equalities and Community Cohesiveness**

The Bid provides the opportunity for businesses in the boundary area to participate and direct the use of the levy fees through their business plan and have a collective voice for the business community.

Crime and Fear of Crime (Section 17) No

**Risk Management**

The project has been through the HBC internal project management process

Environmental Issues & Climate Change No

**Economic/Financial Implications**

The costs for the ballot can be claimed back from the BID, the costs for managing and processing the levy payments can be claimed back from the BID

Human Rights Act No

**Organisational Consequences**

Staff capacity to support the process – built into workloads for specific staff

**Local People's Views**

The ballot will be open to all those eligible businesses within the BID boundary area. The business plan is developed and approved by the BID board who represent the interests of businesses within the boundary area

Anti-Poverty No

**Legal**

The draft operating agreement for managing and processing the levy has been drafted with HBC legal team ready for signing if the BID secure 'yes' vote to proceed to a second term from 1 April 2022.

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**Additional Information**

Appendix A: Final Draft BID Business Plan

Appendix B: Draft BID Operating Agreement (including map of BID levy Boundary- Schedule 2)

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**Officer to Contact**

Officer: Mark Horan

Email: [mhoran@hastings.gov.uk](mailto:mhoran@hastings.gov.uk)

Tel: 01424 451485