

## **Economy and Growth Committee**

**14 November 2023**

### **Crewe Business Improvement District**

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**Report of: Peter Skates, Director of Growth and Enterprise**

**Report Reference No: EG/17/23-24**

**Ward(s) Affected: Crewe Central; Crewe East; Crewe South; and Crewe West**

#### **Purpose of Report**

- 1 A formal notification has been submitted to the Council, setting out the intention of Groundwork Cheshire, Lancashire & Merseyside, acting on behalf of the Crewe Business Improvement District Steering Group requesting that Cheshire East Council put a proposal for a Crewe Business Improvement District (BID) to a postal ballot.
- 2 As the Council is responsible for the payment of business rates for thirteen premises within the proposed BID area, it is entitled to thirteen votes in the BID ballot. This report considers whether the Council should vote in the ballot and if so, how it should vote.
- 3 Additionally, this report seeks to confirm arrangements for Council representation on, and supporting, any BID Board established in the event the BID is successful at ballot.

#### **Executive Summary**

- 4 The Council has received a request to hold a postal ballot on a proposal for a Business Improvement District in Crewe. If successful at ballot, this will be the second BID in Cheshire East, the first being the Wilmslow Town Centre BID, which commenced in November 2022.
- 5 On July 11th, 2023, Corporate Policy Committee considered the obligations on the Council as billing authority under the Business Improvement Districts (England) Regulations 2004. That Committee agreed delegations to enable officers to fulfil those obligations. This included delegations to allow officers to check the final BID proposal

against the Regulations; to arrange for a postal ballot to be held; to check there are no grounds to veto the proposal; and, if the proposal is successful at ballot, to complete legal agreements to facilitate formal arrangements for the BID; and to bill for and collect BID levies from eligible businesses.

- 6 Corporate Policy Committee also resolved that officers should seek to cover the costs of the BID to the Council as billing authority where eligible.
- 7 As the Council owns several hereditaments within the proposed BID area, the BID proposal raises additional implications for the Council as a body responsible for the payment of business rates within the proposed BID area. (A hereditament is a rating term to describe a property (or part of a property) that is included in the Local Rating List and is liable for Non-Domestic Rates.)
- 8 Given its hereditaments within the proposed BID area, the Council will be entitled to thirteen votes in the BID ballot and needs to determine whether it will vote, and if so, which way to vote.
- 9 As the detail of the BID proposal was not fixed at the date this matter was considered by Corporate Policy Committee, and, having regard to the remit of Economy and Growth Committee, Corporate Policy Committee did not consider how the Council should vote in the ballot but rather resolved that a further report be taken to Economy and Growth Committee post finalisation of the BID Proposal.
- 10 If the BID is successful at ballot, the Council will be liable to pay the levy for its hereditaments falling within the scope of the BID proposal and the financial implications to the Council need to be considered when considering which way to vote, balanced against any anticipated benefits of the BID.
- 11 Additionally, given the number of hereditaments owned by the Council, the Council would have more votes in the ballot than any other party and therefore needs to be mindful that the way it votes could be significant in determining whether the BID succeeds at ballot. Consequently, the implications for other businesses, also need to be considered.

#### RECOMMENDATIONS

The Economy and Growth Committee is recommended to:

1. Determine either:
  - i. That the Council shall abstain from voting in the Crewe BID ballot to ensure that the outcome of the ballot represents the views of local businesses, or,

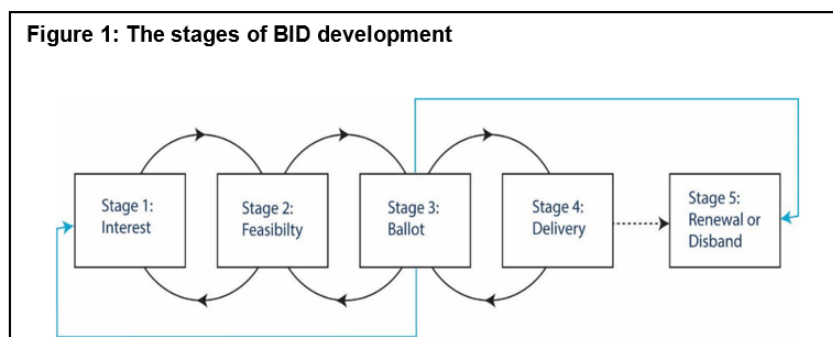
- ii. That the Council shall vote 'Yes' in support of the Crewe BID proposal in the Crewe BID ballot, delegating authority to the Director of Growth & Enterprise to complete, sign and return ballot papers on behalf of the Council.
2. Determine that in the event the BID receives a 'Yes' vote and proceeds to commencement, should the Council be invited to attend BID meetings in an advisory capacity, the Director of Economy and Growth shall agree the most appropriate officer representation, and empower appropriate officer(s) to provide such advice to BID meetings as they consider necessary.
3. Determine that in the event of a 'Yes' vote and the BID proceeding, the Executive Director – Place shall, having regard to any advice given by the Monitoring Officer, determine, in consultation with the Chair of Economy and Growth Committee, whether to put forward a CEC representative for appointment onto the BID Board and if so, select the appropriate appointee and empower that appointee to make any decisions required on behalf of the Council.

## **Background**

### **BIDs explained**

- 12 A Business Improvement District (BID) is a defined area where business rate payers have voted in a ballot to pay a levy, in addition to business rates, into a fund for a fixed period (normally 5 years), and that levy is then managed to deliver specific agreed initiatives to benefit the BID area. The levy rate is typically something in the order of 1.5% of rateable value, but the rate is a matter of choice for the BID Proposer. This levy must be collected by the billing authority (in this case CEC) but is passed to a separate body established to manage the BID known as the BID Body. This levy must be used by the BID Body to provide improvements in the BID area that would otherwise not occur. The BID Body can also draw on other public and private funding streams.
- 13 Many BIDs are focused on town centres and BIDs have the potential to bring significant extra regeneration impact to a town or district centre. The priorities for BID levy spend depend on the exact detail of the BID proposal, but town centre BIDs might typically support such things as improving the general appearance of the centre, enhanced marketing and promotional activity, events to stimulate footfall, crime reduction initiatives, access initiatives such as wayfinding, and support for businesses.

- 14 Legislation to enable BIDs was included in the Local Government Act 2003. Subsequently the Business Improvement Districts (England) Regulations 2004 outlined the procedures for their establishment and management. Since their introduction, BIDs have become an important mechanism for place management in many locations. There are currently around 332 BIDs across Great Britain, Northern Ireland, and Ireland (*Source 2022 BID survey*). There are several BIDs in neighbouring authorities including: Manchester BID; Stockport Town Centre BID; Warrington Town Centre BID, Altrincham BID, and five BIDs in Cheshire West and Chester. In November 2022, the Wilmslow Town Centre BID commenced, becoming the first BID in Cheshire East.
- 15 Eligibility to vote in a BID ballot is based on one vote per eligible business premise (hereditament) situated in the defined BID area. BID proposals can be designed such that certain categories of business rate payers are exempt from the levy, and these would not then be entitled to vote in the ballot. To be successful at ballot a BID proposal must have gained a simple majority vote in favour, both in terms of the number of voters and the aggregate value of business rates of those that have voted.
- 16 BIDs have a maximum term of five years unless renewed by reaffirmation of support through a further ballot. Many BIDs progress beyond their initial five-year term, with some of the UK's longest-running BIDs having now been in operation for over 15 years and through four ballots. Evidence indicates that BID ballot results increase in support the longer a BID has been in existence. (*Institute of Place Management 2019*). This suggests that BIDs can be seen by local businesses as adding value worthy of the levy charged. Regionally long-running BIDs include Liverpool Retail & Leisure BID, now in its fifth term, and Winsford 1-5 BID, in its fourth term.
- 17 The development of a BID can be described in the five stages set out in Figure 1 (*Source Institute of Place Management (IPM)*)



- 18 In general terms, where there is potential interest in a BID, work is undertaken to test feasibility. This will involve consideration of a potential BID geography, testing the appetite of businesses, considering the

amount of levy which could be raised, and contemplating the priorities the BID might focus on. If the feasibility work suggests there is likely to be sufficient support for a “Yes” vote, a BID proposal may then be developed further and the local authority as billing authority requested to put the BID proposal to a ballot. If the BID is successful at ballot, it will then progress to delivery stage.

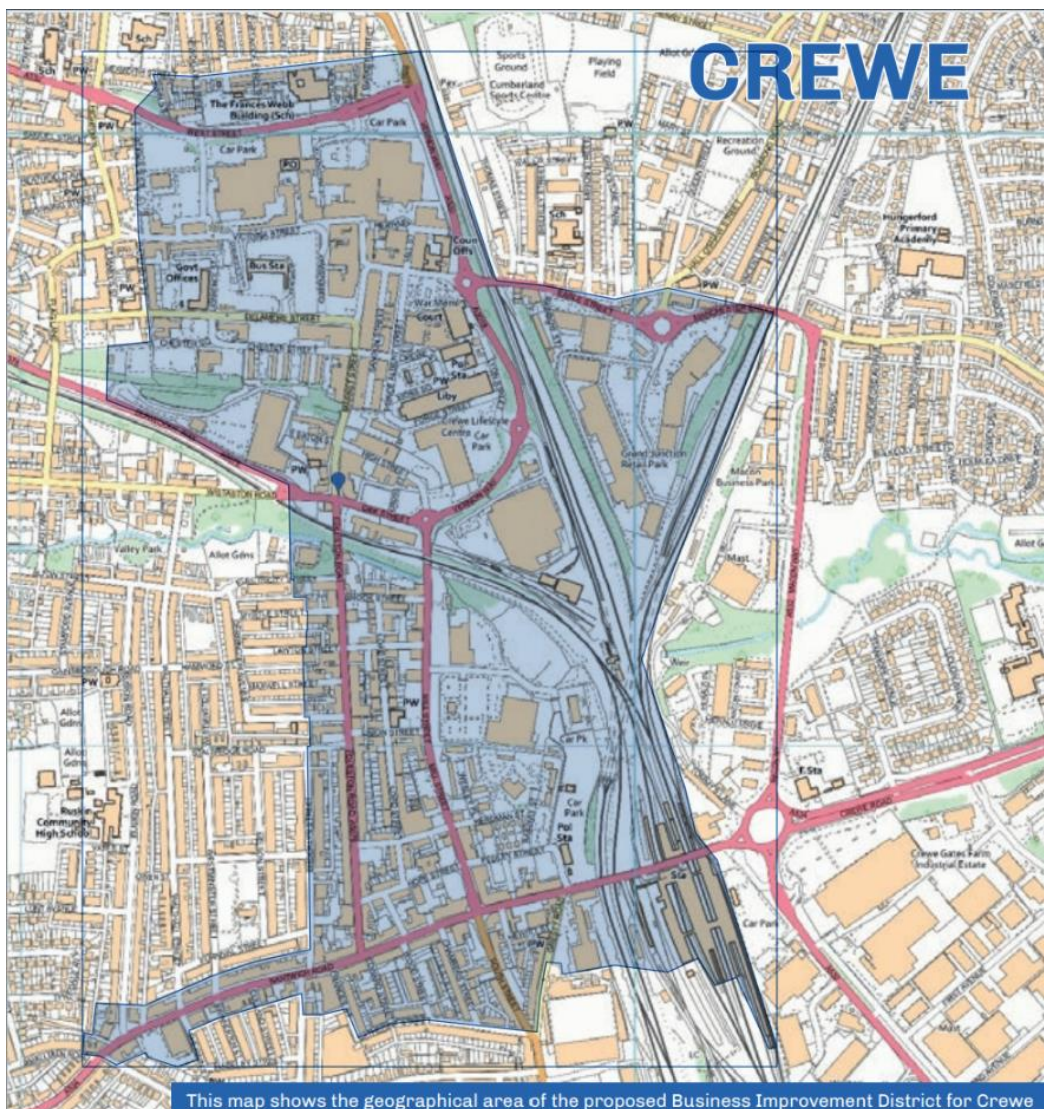
### **The Current Crewe BID Proposal**

- 19 In September 2021, Crewe Town Council announced their intention to appoint Groundwork Cheshire, Lancashire & Merseyside to carry out a feasibility study on a potential Crewe BID.
- 20 In undertaking this work Groundwork engaged with a sample of 300+ businesses and stakeholders to gauge opinion on a range of issues and challenges for Crewe. This work identified several areas where a BID could potentially add value beyond the statutory responsibilities of Cheshire East Council and the study recommended that a BID proposal be developed.
- 21 Subsequently, Crewe Town Council considered the output of the feasibility study and resolved to appoint Groundwork to continue its work to develop a BID to take to ballot.
- 22 Groundwork proceeded to establish a Crewe BID Steering Group comprising local business representatives and invited CEC officer attendance. Subsequently, on 25th April 2023 Groundwork served notice on CEC confirming that Groundwork, acting on behalf of the Crewe Steering Group intended to ask CEC to hold a BID ballot. This notice (the ‘84-day notice’) is submitted at least 84 days before the BID Proposer submits the formal BID proposal and a formal notice requesting the holding of the ballot. Following receipt of the ‘84-day notice’, on 11<sup>th</sup> July 2023 a report was taken to Corporate Policy Committee, explaining that a BID proposal was in development for a Crewe BID.
- 23 The report to Corporate Policy Committee, anticipating the imminent receipt of a final Crewe BID Proposal and request to hold a ballot, confirmed delegations to allow officers to respond to the BID proposal when received as required of the billing authority under the Business Improvement Regulations 2014. Corporate Policy Committee agreed measures to enable officers to manage a BID ballot, to check the final BID proposals against the Regulations to ensure there are no grounds to veto the ballot, and in the event of a ‘Yes’ vote at ballot, to make any necessary arrangements for the completion and updating of any legal agreements necessary to facilitate the BID, for billing, collection and enforcement of the BID levy, and its transfer to the Crewe BID Body. The report to Corporate Policy also referenced the intention to report this



matter to Economy and Growth Committee once the BID Proposal had been finalised to seek any necessary further authority to respond.

- 24 The final Crewe BID Proposal has now been received and is attached as **Appendix A** to this report.
- 25 The geographical area of the proposed Crewe BID is illustrated in the following Plan. The proposed area of the BID differs from the Wilmslow BID in that whilst the Wilmslow BID covers the defined town centre only, the proposal for the Crewe BID encompasses the town centre, Grand Junction Retail Park, and covers an area to the south to encompass businesses around Nantwich Road.



- 26 Hereditaments with rateable values below £12,000 would be excluded from the levy as would hereditaments with a prime purpose as a place of worship or state school.

- 27 For hereditaments with a rateable value of £12,000 or more, the party responsible for payment of business rates would also become responsible for the payment of an annual BID levy equating to 1.5% of rateable value per year (with an annual increase of 0.05%) and with a cap of £15,000 per annum per hereditament. Levies would be payable annually for the lifetime of the BID. The initial BID term would be 5 years, after which a further ballot would be required before the BID could enter a second term.
- 28 The Crewe BID Proposer estimates that the BID would raise circa £1.38M through levies from business rate payers over a five-year period, for investment in the BID area. The BID Proposer also estimates that £227,000 could be raised in match funding by the BID Body over the same five-year period.
- 29 Under the Regulations, as the local 'Billing Authority' CEC would be responsible for billing and collection of levies on behalf of the BID. CEC would also be responsible for enforcement against non-payment. If the BID proposal succeeds at ballot, it is proposed that the levy would be payable from 1 April 2024.
- 30 The BID Proposal sets out that the BID levy would be spent on delivering improvements under three themes:
- i. A better Crewe experience** – achieved through:
- Improved marketing and promotion of Crewe and the companies within the proposed BID area
  - Animating the Crewe BID area with a business led programme of vibrant events and festivals.
- ii. Cleaner, greener, safer** – achieved through:
- A private sector led Business Crime Reduction Partnership
  - Image and place improvements
  - Environmental enhancements
- iii. Connecting Crewe's Business Communities** – achieved through:
- A private sector led BID Board for the Crewe BID area governing the BID investment
  - Crewe BID team supporting business
  - Investment to secure enhance consumer and footfall data
  - Attracting new investment, entrepreneurs, and skills
  - The joining together of Crewe's business communities.
- 31 The BID Proposal sets out that the BID would be managed by the Crewe BID Company Ltd acting as the BID Body. The company would be a not-

for-profit company limited by guarantee. The BID would be governed and directed by a BID Board. The Board would comprise Directors of the BID company who would be voluntary representatives of BID levy paying businesses and organisations across the BID area. The BID Board would meet a minimum of six times a year.

### **Pros and Cons of the BID proposal**

- 32 As part of the assessment of the BID proposal, consideration has been given to alignment with Council strategy and policy. In broad terms, it is considered that the aims of the BID proposal are aligned with the aims of the Council in terms of its aspirations for town centres and economic development. A well managed BID could certainly make a positive contribution to supporting the vitality of Crewe, with an effective BID Management team able to add additional capacity, drive, and energy into initiatives complementary to the efforts of both CEC and Crewe Town Council. The number of BIDs across the Country in their second, third and even fourth terms, indicates they can certainly be viewed by local businesses as adding value.
- 33 A particular benefit of a BID which may be worth stressing, is that the BID levy can be used to fund revenue activities, something which Councils frequently struggle to fund.
- 34 It is however clearly important to balance the anticipated benefits of a Crewe BID against the financial implications, not just for the Council, but also for the wider business community.
- 35 The Council is currently responsible for the payment of business rates for thirteen hereditaments within the proposed BID area. The estimated BID levy which would be payable on these hereditaments in the event of a “Yes” vote is set out in the table below (based on rateable values as of 5 Sep 2023)

<b>Hereditament</b>	<b>RV (£)</b>	<b>Rates payable (£)</b>	<b>Est. Annual BID Levy (£) (22/23)</b>
Oak Street Car Park, CW2 7BZ	13,000	4,820	195.00
Pedley Street Car Park	21,250	10,604	319
Railway Street Car Park	22,250	11,102	334
Crewe Public Library	92,500	47,360	1,387
Civic Centre Car Park	24,750	12,350	371



Library at Crewe Lifestyle Centre	260,000	133,120	3,900
Municipal Buildings	177,000	90,624	2,655
Delamere St. Car Park	42,250	21,083	634
Delamere House	236,000	120,832	3,540
Victoria Centre Car Park	127,000	65,024	1,905
Storage at former Heath St market	31,750	15,510	476
Temporary bus station	29,000	14,471	435
Chester Street Car Park, CW1 2LB	19,750	9,855	296
<b>Total</b>	<b>1,096,500</b>	<b>556,757</b>	<b>16,447</b>

- 36 BID levies would be mandatory for all eligible properties in the event the BID returns a 'Yes' vote. Thus, if the BID becomes operational, the Council, as well as all eligible businesses, will be obliged to pay the BID levies regardless of whether it has voted in favour of the BID in the ballot. The circa £16,500 per annum estimate of levy charges (increasing by 0.05% per annum) is the amount the Council would currently be liable to pay in levies annually over the five-year term of the BID, amounting to £82,500 over the five-year initial term of the BID. It is worth noting that this figure would fluctuate as and when Council assets change during the term of the BID, for example, resulting from the ongoing town centre regeneration programme.
- 37 Aside from the anticipated financial implications of the BID for the Council, it is also considered to be appropriate for the Council to consider wider business interests, particularly given the ongoing cost of living crisis, high inflation, and the consequent potential for many businesses to be struggling at this time.
- 38 The following table gives a selection of example properties from within the proposed BID area showing the Business Rates currently payable by that business and the BID levy they would be required to pay. As can be seen the cost of the levy in comparison with the cost of business rates payable varies dependant on the number and degree of business rate relief each party is eligible for.

<b>Rateable Value (£)</b>	<b>Description</b>	<b>Reliefs Applied</b>	<b>Rates Payable (£)</b>	<b>Estimated BID Levy (£)</b>
12,000	Restaurant & premises	SBRR	0	180
12,250	Shop & premises	TR, SBRR & RHL	103	184
12,250	Shop & premises	SBRR	410	184
12,500	Self-Catering Holiday Unit & premises	SBRR & RHL	259	187
12,500	Workshop & premises	TR, SBRR & SSB	600	187
12,750	Community centre & premises	MAND & DISC	0	191
12,750	Advertising right & premises	TR	3,405	191
12,750	Shop & premises	TR	6,287	191
13,000	Kiosk & premises		6,487	195
17,750	Shop & premises		8,857	266
18,750	Restaurant and premises	TR, SSB & RHL	1,657	281
153,000	Retail warehouse & premises		78,336	2,295
257,500	Shop & premises		131,840	3,862
1,520,000	Superstore & premises		777,316	15,000 (cap)
<b>Table Key:</b> All figures are rounded TR - Transitional Relief, SBRR - Small Business Rate Relief, RHL - Retail Hospitality & Leisure Relief, SSB - Supporting Small Business Relief; MAND - 80% Mandatory Relief (charities), DISC - top up 20% Discretionary Relief				

### **The Council's vote in the Crewe BID ballot**

- 39 BID ballots are run as secret ballots meaning that the BID Proposer will not be notified of which way votes have been cast at any stage of the ballot, or after the ballot has ended. It is commonplace however for councils entitled to vote in a BID levy to be transparent and open regarding their views. Cheshire East Council is clear that it will ensure that there is transparency in all aspects of Council decision making.

- 40 As the party responsible for the payment of business rates for thirteen hereditaments with an RV over £12,000 within the BID area, the Council will be entitled to thirteen votes in the BID ballot. This is more than any other single party, and with circa 323 eligible hereditaments within the proposed BID area, the Council has circa 4% of the total votes which could be cast.
- 41 There is a chance of a low turnout in the ballot. The Wilmslow BID ballot saw a turnout from businesses eligible to vote of 26.24%. Whilst a BID ballot is not directly comparable to local elections, it may also be relevant that in the recent local elections, the turnout of residents to vote was significantly lower in the wards covered by the proposed Crewe BID than in the wards covered by the Wilmslow BID.
- 42 If the Crewe BID ballot has a similar turnout to the Wilmslow BID ballot and the Council casts 13 votes, this would mean that Council votes accounted for circa 16% of the overall votes cast. In such circumstances the Council's vote could easily be a deciding factor in whether the BID proceeds past ballot stage or not.
- 43 There are several issues to be balanced in the decision-making process. On the one hand, the aspirations of the BID Proposer and the BID Proposal is considered to align with Council aspirations and strategy, and it is considered that the BID could aid the Council in its efforts to regenerate the town centre and wider central Crewe. On the other hand, there are financial implications for the Council to be considered as well as financial implications for the wider business community of Crewe.
- 44 The various options which have been identified for consideration are set out in the table at paragraph 56 of this report. This is considered by officers to be a finely balanced decision, between voting 'Yes' and abstaining from voting. In this instance, having regard to the range of issues to be considered, officers have decided to leave to committee the decision as to whether, in view of its support for the BID proposal the Council should vote 'Yes' in the BID ballot, or, whether it should abstain from voting in the ballot allowing the ballot result to be based on the views of the local business community.
- 45 Regardless of the way the Council determines to vote in the BID ballot, if the BID succeeds at ballot, it is considered likely that the Council will be invited to provide office advisory support to the BID Body. In addition to this, if the BID is successful at ballot, the Council would be eligible to nominate an officer to be a BID Board member to represent the Council on the BID Board.

- 46 Depending on the agenda of individual meetings and the advice required, different officers may be best placed to act in an advisory capacity to the BID Board. To ensure adequate flexibility, it is considered appropriate that the Director of Economy and Growth should agree the most appropriate officer representation for meetings.
- 47 BID best practice guidance also advises that ideally the local authority will have a seat on any BID Board. Any Terms of Reference/Memorandum and Articles of Association are likely to be relevant in determining whether any officer should represent the Council on the Board, having regard to the Constitution and legalities. Authority is therefore sought for the Acting Executive Director - Place, having regard to advice from the Monitoring Officer and in consultation with the Chair of Economy and Growth Committee, determine whether any officer should be nominated, if the BID proceeds and after such additional details become available.

## **Consultation and Engagement**

- 48 The proposed BID would fall within four Cheshire East Wards: Crewe Central, represented by Cllr Anthony Critchley; Crewe South, represented by Cllr Laura Smith and Cllr Dawn Clark; Crewe West, represented by Cllr Marilyn Houston and Cllr Connor Naismith; and Crewe East represented by Cllr Hazel Faddes, Cllr Martin Edwards and Cllr Jill Rhodes. Cllrs Edwards, Rhodes, Clark, and Houston are also Crewe Town Councillors and Crewe Town Council has been instrumental in funding work to bring the BID proposal forward. Ward Councillors will be briefed regarding the BID proposal prior to committee.
- 49 As part of the BID Proposal development, Groundwork has carried out consultation with businesses in Crewe. This is summarised in the BID proposal at Appendix A. Consultation has included gathering views on the challenges and opportunities that exist for Crewe to inform a draft BID proposal and consulting with businesses on the draft proposal before its finalisation.
- 50 The BID Proposal outlines that in June/July 2023 all businesses premises in the proposed BID area with a rateable value greater than or equal to £12,000 were written to and invited to respond to the consultation on the draft proposal and, that this was supported by 1-2-1 engagement with businesses and workshop. It is understood that consultation events were also held by the BID Proposer.
- 51 The BID Proposal further outlines that responses to the consultation were received from businesses and organisations representing 100 premises that would be liable for a BID levy across the BID area. It sets out that 79% of respondents stated they would support the proposal for a BID in

Crewe, and over 90% of respondents felt the proposal was focused on the right priorities.

- 52 CEC has not undertaken any consultation with businesses, given that this is not a CEC driven proposal.
- 53 Crewe Town Council's active role in funding the BID development, officers have consulted with Crewe Town Council to seek confirmation of their view to be reported to Economy and Growth Committee. The response from the Town Council confirms that they have actively supported the development of the BID and, through provision of funding and officer support, created the opportunity for the process to take place. The Town Council also confirm that it is in the view of the town council a BID would provide strong representation of and engagement with business stakeholders which has typically been difficult to achieve. Further they believe that the formation of a BID would enable its levy payers to make a positive investment and inform direction for the place in which they operate, with a financial resource and management team to achieve their goals for the wider benefit of Crewe. The Town Council also believe that with the loss of HS2, it is more important than ever that every part of the Crewe community works together to continue its regeneration and confirm that they have received very positive responses from local businesses that they support the BID. The Town Council also wish to point out that they have received information from the BID Proposer which indicates there has been a significantly higher level of responses to the draft proposal from local businesses than was achieved in response to the draft proposal for the Wilmslow BID.
- 54 In summary Crewe Town Council ask Cheshire East Council to add its support to the BID proposal by providing a 'Yes' vote *"to bring a new member of 'Team Crewe' to the table."*

## **Reasons for Recommendations**

- 55 Officers are of the view that the BID, established and appropriately managed would achieve outputs complementary to the Council's efforts to support the vitality and viability of Crewe town centre and the wider central Crewe area.
- 56 Given the number of hereditaments owned by the Council, and consequent number of votes the Council could cast in a ballot, the Council's votes could ultimately determine whether the BID succeeds at ballot or not. This being the case, the anticipated benefits of the BID have been considered alongside both the anticipated financial cost of the BID to the Council and in the context of the financial cost to the wider business community.

- 57 Given the ongoing cost of living crisis and inflation levels, it is recognised that many businesses may be struggling and an additional levy on businesses may be problematic for some, even if representing a relatively small additional cost.
- 58 This is a finely balanced recommendation, and whilst officers are supportive of the BID proposal, in view of the potential for the Council's vote to be the determining factor as to whether the BID proceeds or not, officers have left the decision regarding the Council's position on voting to Committee.

### Options Considered

- 59 The table below outlines the anticipated impacts and risks associated with the identified options considered.

Option	Impact	Risk
Vote 'No' in the ballot, against the BID Proposal.	With thirteen votes in the ballot, in the event of a close vote, particularly one with a low turnout, the Council voting 'No' could result in the ballot returning a 'No' vote overall and the BID not proceeding to delivery stage, even if businesses returned a majority of 'Yes' votes.	Local businesses in support of the proposal would reasonably be likely to criticise the Council for voting against something which support its own aims and objectives for Crewe.  A 'No' return would mean the benefits of the BID proposal would not be realised.
Vote 'Yes' in the ballot, in favour of the BID Proposal.	With thirteen votes in the ballot, in the event of a close vote, particularly one with a low turnout, the Council voting 'Yes' could result in the ballot returning a 'Yes' vote overall and proceeding to delivery stage, even if businesses returned a majority of 'No' votes.	If the outcome of the ballot is 'Yes' and if this is contrary to the majority of votes from local business votes, those against the BID may criticise the Council for taking action which results in them having to pay an additional levy.
Abstain from voting	The result of the ballot would be determined	The Council could be criticised for not actively



	purely by votes cast by businesses who would be required to pay the BID levy.	supporting a proposal aimed at improving Crewe.
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## Implications and Comments

### *Monitoring Officer/Legal*

- 60 There is no impediment to delegating authority to the Director of Growth and Enterprise to complete any ballot slips the Council is entitled to complete in the BID ballot, and directing they vote in a particular way in the ballot on behalf the Council for the Council's hereditaments.
- 61 The consequences of voting in a particular way have already been canvassed in earlier paragraphs of this Report. In the event the BID vote is successful it follows that the Council will be become legally liable to meet the financial obligation imposed by the Levy.
- 62 In addition, it will be the Council's responsibility to collect the Levy as the local billing authority. It will be collected in the same way that non-domestic rates are collected now. In the event of non-payment, it will fall to the Council to take enforcement action to recover levies.
- 63 There is no impediment to delegating to the Director of Economy and Growth the authority to agree the most appropriate officer representation for meetings with the BID Body where the Council is invited in an advisory capacity or with the potential to delegate that responsibility further via local schemes of delegation.
- 64 There is no impediment to delegating to the Executive Director of Place power, in consultation with the Chair of the Economy and Growth Committee the authority to determine whether to put forward a Council representative for appointment onto the BID Board if so invited and if so invited to agree an appropriate appointee. There is no statutory right for the Council to sit on a BID Board.

### *Section 151 Officer/Finance*

- 65 The financial consequences of the BID proposal to the Council as billing authority have already been set out and considered by Corporate Policy Committee. These do not relate to the decision before Economy and Growth Committee.
- 66 The Council's vote in this ballot could clearly influence the outcome of the BID ballot.

- 67 In the event of an overall 'No' vote in the BID ballot there would be no additional direct financial consequences for CEC other than as already set out in the report to Corporate Policy Committee.
- 68 In the event of an overall 'Yes' vote the Council would be liable to pay BID levies for the next 5 years.
- 69 The Business Rates team have identified the hereditaments for which CEC is the rate payer and it has been estimated that the total levy, based on current hereditaments, will amount to circa £16,500 per annum for the five-year lifetime of the BID.
- 70 This amount is likely to vary as the Council brings forward development schemes on its hereditaments for example as part of the regeneration programme.
- 71 BID levy bills would be sent to Facilities Management as they receive and pay business rates for the relevant hereditaments. Usually for small increases to revenue expenditure, services would be expected to find compensating savings from somewhere within their service. If pressures become too large to manage within the existing budget envelope, then additional budget would need to be sought via the annual MTFS route.
- 72 In addition to the levy costs, in the event the BID is successful at ballot, there will be financial implications for the Council as Billing Authority since the Council will become responsible for collection of levies. There is provision in the Regulations for the Council to recoup the costs of levy collection and Corporate Policy Committee has approved the recovery of costs arising from the BID development and levy collection, and any other associated costs allowable under the Regulations.

### *Policy*

- 73 The Corporate Plan (2021-25) recognises that successful town centres are vital to ensuring thriving urban and rural economies with opportunities for all. A well-managed, successful BID should support business in central Crewe to thrive economically. The Cheshire East Local Plan states that the Council is fully supportive of the aims of promoting the vitality and viability of town centres as important places for communities and a major focus for employment and drivers of economic growth. Although this proposal encompasses other areas beyond the town centre, it is considered that the BID Proposal broadly supports the strategy and policy of the Local Plan.
- 74 The draft CEC Economic Strategy of 2019 also stated as its first objective "Improving quality of place, with a focus on regenerating our town centres", and again, subject to suitable management by the BID Body, it

is considered this broad aim would be likely to be supported by the BID Proposal.

- 75 Considering the specifics of the Crewe BID proposal, the proposal is also aligned to several other Council priorities referenced in the Corporate Plan including reducing crime and anti-social activity, continuing to grow the visitor economy, and improving the environment.
- 76 The Crewe BID proposal could support the following aims and priorities of the Corporate Plan.

<b>An open and enabling organisation</b>	<b>A council which empowers and cares about people</b>	<b>A thriving and sustainable place</b>
Look at opportunities to bring more income into the Borough.	Work together with residents and partners to support people and communities to be strong and resilient.	A great place for people to live, work and visit.
Listen, learn, and respond to our residents, promoting opportunities for a two-way conversation.		Thriving urban and rural economies with opportunities for all.

### *Equality, Diversity, and Inclusion*

- 77 The Council has not undertaken an Equality Impact Assessment (EIA) on this proposal since it is being brought forward by a third party.

### *Human Resources*

- 78 It is anticipated that in the event of the BID proceeding, there would be a request for officer resource to attend BID meetings. The extent of involvement of officers may need to be limited having regard to current resources within the Economic Development Service and the many other priorities of officers within this service.
- 79 Additionally, if the BID is successful at ballot there will be additional work for the Business Rates Team who will become responsible for collection of the levy.

### *Risk Management*

- 80 There is likely to be both positive and negative reaction to the BID Proposal from local businesses. Whilst the Council is not the BID Proposer there is a clear possibility that the BID proposal may be

perceived as a Council initiative with associated reputational risks. Risks around this can be mitigated by ensuring clear communication and continuing close liaison with the BID Proposer.

- 81 There are varying risks associated with the way the Council votes in the ballot as set out elsewhere in this report. Again, clear communication of the Council's position and thinking behind it is likely to be key to mitigate negative reputational repercussions.
- 82 If the BID receives the required majority 'Yes' vote at ballot and proceeds to commencement, the Council will become the party responsible for collection of the levy. This may again pose risks associated with negative response from parties who either voted 'No' or those who did not vote but are against the levy. Again, clear communication as to the Council's obligations under the regulations will be important to mitigate complaints from any party not happy with levy charges.
- 83 There are additional reputational and financial risks which might flow from procedural error, for example should a challenge be lodged claiming an irregularity in the ballot process. This is being mitigated by ongoing involvement of Legal Services at each stage in the process via an internal working group.

#### *Rural Communities*

- 84 There are considered to be no specific implications for rural communities arising from this report.

#### *Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 85 There are considered to be no specific implications for young people/cared for children stemming from this report.

#### *Public Health*

- 86 There are considered to be no direct implications for public health stemming from the BID proposal. If the BID proceeds and is successful in boosting the local economy this could have beneficial impacts although economic benefit may not filter to those in poorest health, particularly in a single term five-year period.

#### *Climate Change*

- 87 The BID proposal has the potential to impact on climate change in multiple ways. For example, if the BID supports business to thrive this could encourage more people in Crewe to stay in their local area for leisure, but conversely it could attract new visitors from outside the area,

both scenarios impacting on carbon emissions in different ways. Given that the Council would not be in control of BID expenditure it would be able to exercise only limited influence over initiatives which could have implications for climate change, whether positive or negative.

<b>Access to Information</b>	
Contact Officer:	Jo Wise, Development & Regeneration Delivery Manager  jo.wise@cheshireeast.gov.uk  07870 391694
Appendices:	Appendix A: Crewe BID Proposal
Background Papers:	<a href="#"><u>Report to Corporate Policy Committee 11 July 2023</u></a>