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SUPPLEMENTARY PAPERS

Committee	ECONOMY & CULTURE SCRUTINY COMMITTEE
Date and Time of Meeting	THURSDAY, 12 MAY 2016, 4.30 PM
Venue	COMMITTEE ROOM 4 - COUNTY HALL
Membership	Councillor McKerlich (Chair) Councillors Dilwar Ali, Govier, Howells, Hyde, Javed, Stubbs, Weaver and Simmons

The following papers were marked 'to follow' on the agenda circulated previously:

4 Business Improvement District – pre decision (Pages 1 – 46)

David Marr

Interim Monitoring Officer

Date: Friday, 6 May 2016

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This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

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**CITY AND COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

ECONOMY & CULTURE SCRUTINY COMMITTEE

12 MAY 2016

CARDIFF BUSINESS IMPROVEMENT DISTRICT – PRE DECISION SCRUTINY

Purpose of report

1. To prepare Members for the pre-decision scrutiny of proposals for Cardiff's Business Improvement District. A report on this matter is due to be taken to Cabinet on 19 May 2016, and the Committee will have the opportunity to provide their views and comments to inform this Cabinet report.

Background

2. Business Improvement Districts (BID) are business led partnerships, created through a ballot process to deliver additional services for local businesses with a dedicated budget. BIDs have a defined geographical area in which a levy is charged on all business rate payers in addition to their business rates bill. BIDs are typically run as not for profit companies and are controlled by the businesses that fund them. There is no limit on what projects or services can be provided through a Business Improvement District.
3. The Economy and Culture Scrutiny Committee has monitored the progress in developing a Cardiff BID during both its 2014/15 and 2015/16 work programmes, having expressed support for the concept being introduced in Cardiff in January 2014. Further information on previous scrutiny can be found below from paragraph 11.

4. There are currently eight BIDs in Wales covering areas in Swansea, Merthyr Tydfil, Newport, Bangor, Caernarfon, Colwyn Bay, Neath and Llanelli. There are over 200 BIDs established across the UK, and Cardiff is the only Core City in England and Wales not to have established a BID.

Draft Cabinet Report

5. A draft of the report to be taken to Cabinet on Thursday 19 May 2016 is attached as **Appendix A**. This report covers the following:

- Background Paragraphs 6 – 18
- City Centre Management Paragraphs 19 – 25
- Issues
 - BID Proposal and Business Plan Paragraphs 26 – 35
 - Implications for City Centre Management Paragraphs 36 – 39
 - Night Time Economy Paragraphs 40 – 45
 - BID Support Paragraphs 46 – 53
- Draft Financial Implications Paragraphs 55 – 66
- Recommendations Page 12.

6. The Cabinet Report sets out the following key points which Members may wish to consider:

- *“The local authority has a statutory responsibility to support the development of BIDs and facilitate their establishment. This includes conducting the ballot and collecting and enforcing the levy. The authority must also confirm that the proposed BID does not conflict with area plans and schemes. If the local authority is of the opinion that the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the levy is unjust, it can decide to veto the proposals. The local*

authority can only veto proposals within 14 days from the date of the ballot.¹

- *“If a yes vote is achieved there will be a requirement to ensure the BID body has good governance in place – the activities of the BID body will be scrutinised by the levy payers who fund the BID. In particular the BID will need to ensure the correct arrangements are in place relating to membership of the BID body, board elections and annual reporting mechanisms. Typically the local authority will also be represented on the board.”²*

7. The BID is seen to complement the following Council agendas:

- the Council’s Corporate Plan aim to *“work with partners in the public and private sectors to create an environment which supports the development of new business and the growth of current businesses, as well as attracting inward investment.”*
- The Council’s objective that *“Cardiff has more employment opportunities and higher value jobs.”*
- the Council’s Co-operative Council aspirations, bringing together stakeholders to help manage and improve the city centre environment³.

8. Members may also wish to note the three following documents included as appendices to the Cabinet Report:

- **Appendix A1:** Cardiff BID Summary Business Plan
- **Appendix A2:** Draft Operating Agreement
- **Appendix A3:** Cardiff Ballot Authorisation Letter

9. Key information contained within the Cardiff BID Summary Business Plan (Appendix A1) includes:

- Membership of Cardiff BID Task Group (page 4)

¹ Appendix A, Draft Cabinet Report, Paragraph 11

² Appendix A, Draft Cabinet Report, Paragraph 12

³ Appendix A, Draft Cabinet Report, Paragraph 15 & 16

- What Cardiff BID will deliver (pages 5 – 9)
- How BIDs are funded (page 11)
- Cardiff BID Area Map (page 11)

10. The Cabinet report has the following seven recommendations:

- a) Note the receipt of relevant information relating to the proposed Cardiff Business Improvement District including a summary business plan and boundary
- b) Delegate authority to the Director of Economic Development to exercise the Council's vote in support of the proposed BID Ballot in respect of the hereditaments in the Council's ownership within the BID area subject to any detailed clarification of the information received being satisfactory and subject to no material change in the Summary Business Plan..
- c) Delegate authority to the Director of Economic Development, in consultation with the Leader of the Council, the Chief Executive, the Section 151 Officer and the Monitoring Officer to conclude a Service Level Agreement with relation to City Centre Management and to bring any agreement to Cabinet for approval.
- d) To note the proposal to exempt BID levy paying members from Late Night Levy (should the Council choose to introduce it in the future) on the basis that the Business Improvement District will allocate a sum equal to or greater than the figure that would be collected from the imposition of a Late Night Levy.
- e) Give delegated authority to the Section 151 Officer in consultation with the Leader of the Council, the Chief Executive, the Director of Economic Development and the Monitoring Officer to negotiate an advance to the BID company should the ballot be successful, and on the basis that any advance would be repaid through levy collection and paid within the current

financial year and so that any proposed payment would be brought to a future Cabinet meeting for approval.

- f) Give delegated authority to the Section 151 Officer in consultation with the Leader of the Council, the Chief Executive, the Director of Economic Development and the Monitoring Officer to negotiate and complete a BID Operating Agreement on behalf of the Council.

- g) To nominate, should a yes vote be achieved, the Director of Economic Development as the Council representative to the board of the BID company.

Previous Scrutiny – Items to Committee

11. In January 2014, the Economy and Culture Scrutiny Committee considered an item on future arrangements for City Centre Management in Cardiff. This item included significant focus on the creation of a city centre BID. In their letter to the Cabinet Member – Finance and Economic Development, the following information was noted:

- *“Members were convinced of the potential benefits of a BID, and aware of views recently expressed to them by local small business entrepreneurs that they would like to have some control over how their investment in the city centre was spent.*

- *“Officers managed to assuage the concerns of Members that small enterprises could find themselves led by medium and large sized firms like St David’s and John Lewis to develop a BID that was more designed for the needs of large businesses than for smaller business owners. Members were informed that evidence from England shows that the numerical majority of small businesses in city centre environments requires local authorities to carefully canvas and represent their interests, or the 50% quorum on voting for a BID might not be achieved”.*

12. In considering Quarter 2 Performance of the Economic Development Directorate in December 2014, the minutes of the meeting note that Members were informed that the bid to the Welsh Government for Business Improvement District funding had been unsuccessful. An “invest to save” bid for Council funding was being prepared to enable the BID process to continue.

13. The minutes of the Committee’s March 2015 meeting note that Members were informed that funding had been secured internally to progress a BID. The Council would procure advisors to scope and take a proposed BID to ballot in the New Year. The letter written to the Leader following this meeting states:

“The Committee welcomes the news that the proposed Business Improvement District (BID) is being progressed via internal sources of funding and that a partner has been appointed to help assist the Council in carrying out the necessary work to progress a BID for Cardiff. [...] We hope the BID will gain the support of the business community in Cardiff and look forward to receiving future updates on this matter”.

14. The response from the Leader, received on 28 April 2015, informed Members that work had begun with the appointed consultants in establishing a BID in Cardiff and that the process was likely to take around 12 months until completion.

15. Members of the Committee again touched on the Business Improvement District in their scrutiny of Quarter 4 performance in May 2015. Members wrote to the Leader to note:

“While we have slight frustration that there has not been more progress this year, we are pleased that consultants have been appointed with a view to undertaking a ballot by the end of 2015. We will continue to monitor progress in this area in future meetings and look forward to receiving a more substantial item on plans for the way forward should the ballot find in favour of establishing a Business Improvement District in Cardiff”.

16. The response from the Leader, received on 30 July 2015, stated:

“With regard to the development of a business improvement district, work is already underway, and a task group has been formed of local businesses to progress the proposal. If it is deemed suitable the appointed consultants would be able to present to scrutiny at a future date to outline the processes and next steps. It is important that we appreciate that this is very much a business led initiative, but clearly there is a role for the local authority in supporting a business improvement district”.

17. In September 2015, the Economy and Culture Scrutiny Committee considered an item on the progress made with regard to the BID, the work undertaken with businesses and to outline the proposed area for a Cardiff BID.

“Committee welcomed the demonstration of tangible benefits of a Cardiff Business Improvement District (BID). The Committee expressed its support for the work and its hope that a vote in favour of the introduction of a BID in Cardiff is achieved.

The Committee noted reservations with regard to the potential impact on businesses that fall outside the Business Improvement District area, the impact on advertising citywide events and on residents who live in the city centre.”

Previous Scrutiny – Task and Finish Inquiries

18. In January 2014 the Economy and Culture Scrutiny Committee completed its Task and Finish Inquiry into *Small Business*. As part of this inquiry Members met with local business owners as discussed a range of topics, including the idea of introducing a BID in Cardiff. The following recommendation was made to the Cabinet as part of this report:

R15. Consider developing more than one Business Improvement District in Cardiff, to spread the benefits evenly across Cardiff’s business sectors and neighbourhoods.

19. The Cabinet response to this Inquiry report was formally received by the Economy and Culture Scrutiny Committee at their 8 January 2015 meeting. This response stated that the above recommendation was partially accepted. The following narrative was included:

“The Council is, [...], currently in the process of seeking ‘invest to save’ funding to help support the development of a Business Improvement District.

“The intention is to focus initial activities on the city-centre as this is where the scheme will potentially have the biggest impact and generate a significant budget. If this is successful, the intention would be to look at other key retail centres in neighbourhoods”.

20. The Economy and Culture Scrutiny Committee undertook a further Task and Finish Inquiry – *Cardiff Central Market and Historic Arcades* – which reported its findings in October 2014. A survey of shop owners within the market and historic arcades was undertaken as part of this inquiry, which included questions regarding their awareness and support for a Cardiff BID. The following is an extract from the report submitted to Cabinet:

- *The overwhelming majority of traders indicated they did not know about these proposals, with 83% of market trader respondents and 93% of arcade shop owner respondents stating they did not know about these plans. It can be seen that some traders would be willing to support a BID, but many stated that they need more information in order to make a decision.*
- *Members also took the opportunity to discuss the development of a city centre BID with the facility managers of the respective arcades. The representative of the Morgan Quarter arcades indicated that he can see how a BID would work in Cardiff but felt it would be hard to get shop owners on board with it, particularly where it involves paying an additional fee on top of service charges, business rates and rent.*

- *The benefits to a BID would have to be sold and clearly defined to business owners before they are likely to agree. This was a view also given by the owner of Rules of Play, who stated that they could work in Cardiff, as they do in Swansea, but it would be a difficult concept to sell to traders, and it would need to be clear whether it was the individual trader or the landlord who would get decision making powers.*

Other Committees – BID related Scrutiny

21. As outlined in the Cabinet report (**Appendix A**), the Council's Community and Adult Services Scrutiny Committee produced a number of BID-related recommendations as part of its inquiry "*How to reduce Crime and Disorder in the Night Time Economy in a time of austerity*". The recommendations can be seen in paragraph 42, and subsequent consideration of these is given in paragraphs 43 – 45.

Way Forward

22. The Council Leader, Councillor Phil Bale, and Councillor Peter Bradbury (Cabinet Member – Community Development, Co-operatives & Social Enterprise) have been invited to the meeting and may wish to give a statement. Neil Hanratty (Director of Economic Development) will be also be present and will provide a presentation to Members.

Legal Implications

23. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are

implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

24. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/ Council will set out any financial implications arising from those recommendations.

Recommendation

The Committee is recommended to:

- a. Consider the contents of the report, appendices and evidence presented at the meeting.
- b. Report any comments, observations or recommendations to the appropriate Cabinet Member.

David Marr

Interim Monitoring Officer

11 May 2016

**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**

CABINET MEETING: 19th May 2016

CARDIFF BUSINESS IMPROVEMENT DISTRICT

REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT

AGENDA ITEM:

PORTFOLIO: Economic Development and Partnerships and Community Development, Co-operatives and Social Enterprise

Reason for this Report

1. To update Cabinet on the development of Cardiff Business Improvement District proposals in Cardiff.
2. To agree a position on the vote with regard to the City of Cardiff Council's hereditaments in the city centre.
3. If a BID is introduced, to consider an exemption for any paying members payers from any potential future Late Night Levy should such an approach be introduced in Cardiff.
4. To consider a new approach for the City of Cardiff Council's City Centre Management related functions.
5. Confirm that the proposed BID does not conflict with area plans and schemes.

Background

Business Improvement Districts

6. A Business Improvement District is a legally and geographically defined partnership for area improvement and service delivery, funded by levy-paying businesses within that agreed boundary. It is managed and operated by a BID Company – a non-profit company run by and for its members.
7. BIDs are business-led initiatives supported by government legislation, which gives local business the power to get together, decide what improvements they want to make in their city centre, how they will manage these. BID's have the power to raise and spend funds locally.

8. BIDs are typically run as not for profit companies and are controlled by the businesses that fund them. There is no limit on what projects or services can be provided through a Business Improvement District. The only requirement is that it should be something that is in addition to services provided by local authorities. Improvements may include, but are not limited to, extra safety/security, cleansing and environmental measures.¹
9. A BID's mandate is for a maximum of five years. A BID wishing to continue beyond that must reaffirm its mandate through re-ballot, based on a further proposal.
10. The process of developing a BID involves widespread consultation with businesses to ascertain what improvements they want and would be prepared to pay for. A BID proposal is then produced and a 28 day postal ballot held where businesses vote 'for' or 'against' the proposed programme. For the BID to go ahead, two conditions must be met; firstly, a majority of those voting have to vote 'yes' and secondly those 'yes' votes have to correspond to more than 50% of the total rateable value of all votes cast.
11. The local authority has a statutory responsibility to support the development of BIDs and facilitate their establishment. This includes conducting the ballot and collecting and enforcing the levy. The authority must also confirm that the proposed BID does not conflict with area plans and schemes. If the local authority is of the opinion that the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the levy is unjust, it can decide to veto the proposals. The local authority can only veto proposals within 14 days from the date of the ballot.²
12. If a yes vote is achieved there will be a requirement to ensure the BID body has good governance in place – the activities of the BID body will be scrutinised by the levy payers who fund the BID. In particular the BID will need to ensure the correct arrangements are in place relating to membership of the BID body, board elections and annual reporting mechanisms. Typically the local authority will also be represented on the board.
13. The Welsh Government has supported the development of some BIDs in Wales, as a key component of its commitment to encourage economic development and to deliver its new regeneration framework, Vibrant and Viable Places.³
14. However, despite submitting two bids for support to the Welsh Government for funding, the City of Cardiff Council were unsuccessful in attracting Welsh Government funding to support the development of a

¹ <https://www.gov.uk/guidance/business-improvement-districts>

² <https://www.gov.uk/guidance/business-improvement-districts>

³ Welsh Government Business Improvement Districts Handbook

BID, and subsequently sought to identify internal funding to take forward the process.

15. The BID is complimentary to the Council's Corporate Plan aim to *"work with partners in the public and private sectors to create an environment which supports the development of new business and the growth of current businesses, as well as attracting inward investment."* It also supports the Council's objective that *"Cardiff has more employment opportunities and higher value jobs."*
16. The BID, in developing a based partnership to support improvement in the city centre, also supports the Council's Co-operative Council aspiration, and brings together stakeholders to help manage and improve the city centre environment.
17. There are currently eight BIDs in Wales covering areas in Swansea, Merthyr Tydfil, Newport, Bangor, Caernarfon, Colwyn Bay, Neath and Llanelli. Cardiff is also the only Core City in England and Wales not to have established a BID, and competitor cities are already benefiting from the additional investment. BIDs have also proven successful in those areas where they have been introduced, as outlined by a success rate of over 90% at renewal.⁴ There are now over 200 BIDs established across the UK.
18. Whilst the vast majority of BID ballots are generally approved there are still a number of areas where a positive vote was not achieved.

City Centre Management

19. Cardiff city centre is the commercial, retail and visitor heart of the Cardiff city-region and plays a vital role in the life and economy of South Wales. The city centre has seen rapid and substantial changes over the last decade, most notably through the completion of the St David's retail development and the pedestrianisation of St Mary Street, and supports tourism and a day time economy of over £1.2bn. The city centre also supports a night time economy worth £400m annually to the city.
20. The city centre has also seen an increase in residents living in the area in recent years and is now home to around 10,000 people.
21. The management and promotion of the city centre is critical to the city's economic performance. A Business Improvement District (BID) is a mechanism that has been recognised as being successful in bringing local businesses and other stakeholders together with the aim of improving their trading environment and enhancing their profitability.
22. The City Centre Management Arrangements Report taken to the Cabinet Meeting of 29 January 2014 highlighted the need to rationalise existing public and private arrangements in the city-centre and to establish a new approach which delivers both a strong private sector leadership role and

⁴ <http://www.rics.org/uk/news/news-insight/comment/making-a-bid-for-business/>

value for money for both the businesses in the city-centre and the taxpayers of Cardiff.

23. The City Centre Management Arrangements Report taken to the Cabinet Meeting of 29 January 2014 resolved to delegate authority to the Director for Economic Development in consultation with the Leader of the City of Cardiff Council, the Section 151 Officer and County Solicitor to:

- a) Work with local businesses in the development of a Business Improvement District Proposal for Cardiff City Centre, and to bring any proposal before a future Cabinet meeting for approval prior to the ballot taking place.
- b) Undertake a detailed review of the Council's City Centre Management related functions with a view to creating a new approach in partnership with the private sector which consolidates activities and spend, and to report back to a future Cabinet meeting with options for consideration.

24. Subsequently MOSAIC, a company specialising in the development of BIDs, were appointed in March 2015 following a competitive process to work with the city centre business community to develop a proposal to take to ballot. An initial Task Group was formed to represent city-centre stakeholders. This group comprised members of the business community, as well as other stakeholders including the Council and Police.

25. The Task Group members comprise:

- Simon Phillips - Marks & Spencer & Task Group Chair
- Marie Fagan - Hilton Hotel & Task Group Vice Chair
- Cliff Vanstone - John Lewis
- Natasha Williams - S.A. Brain
- Nick Newman - Brewhouse / Cardiff Licensees Forum
- Bruno Nunes - Peppermint Bar / Independent Business
- Phil Sheeran - Motorpoint Arena
- Stephen Widnall - Rightacres Property Co Ltd
- Ken Poole – Head of Economic Development, City of Cardiff Council
- Paul Williams - City Centre Manager, City of Cardiff Council
- Nigel Griffiths - Chief Inspector South Wales Police
- Stephen Madeley - St David's Partnership
- Andrew Phillips - Castle Quarter
- Steven Salamon - Wally's Deli
- Neil Wicks - National Museum of Wales

Issues

BID Proposal and Business Plan

26. Throughout the summer and autumn of 2015 MOSAIC, led by the Task Group, consulted with business throughout the city centre to begin the

process of developing a business plan. This process involved face to face discussions, an online survey and events in the city centre where businesses could meet the Task group members and discuss plans for the BID.

27. The process was used to establish a number of key considerations, notably:

- The BID boundary map
- The proposed BID Levy
- Proposed areas of investment
- The BID Business Plan

28. Subsequently a summary business plan was developed, which is attached as Appendix A which includes a proposed BID boundary. It is proposed that all eligible businesses will pay a levy of circa 1% of the rateable value of the business. Smaller businesses with a rateable value of less than £25,000 will be exempt from paying the levy. It is possible for businesses that are exempt such as those below £25,000 in rateable value and those in sectors outside Retail, Leisure, Culture, Tourism, Office and Commercial to make a voluntary investment which entitles them to all the projects and services outlined in the Business Plan as well as full rights in the governance and management of the BID Company. Based on the 1% levy the estimated revenue for the Business Improvement District is £1.5 million annually.

29. The summary business plan highlighted three key areas for investment from the BID:

- Welcoming - Providing a Capital welcome that is cleaner, safer and greener
- Vibrant - That is lively, entertaining and easier to know about and to get to
- Influential - Business working better together, reacting quickly, with resources, whilst helping to reduce costs

30. In delivering these areas the BID proposes (but is not limited to) the following activities:

Welcoming

- Funding a dedicated cleansing and waste team to deal directly with business concerns; carry out tactical cleaning of frontages, doorways and hot spots that can quickly and efficiently target problem areas over and above those currently provided by the Council; and responding to business call outs and report/liaise with the City of Cardiff Council.
- Work with the City of Cardiff Council to ensure their cleansing and collection schedules support the needs of the city centre businesses.
- Support a team of uniformed BID-branded Cardiff Ambassadors. This team will provide a warm welcome to the BID area and provide information for visitors and businesses.

- Investment in the management of the evening and night time economy, and strengthen business participation with crime reduction partnerships and support new or improved business crime management initiatives.
- Provide additional planting and lighting initiatives and help install floral displays to achieve a more attractive 'softer' environment across the whole of the BID area.
- Work with Cardiff Business Safe to continue to grow the existing RadioNet Scheme.

Vibrant

- Invest in city centre entertainment and provide additional funds to support existing events that boost business and establish new events in current quiet periods.
- Work with the Principality Stadium, Stadium Events Group, Cardiff Council and tourism partners to ensure businesses have an open and positive input to the bidding, planning and management phases of major events held across the city centre. The BID would help coordinate a cross sector business group to discuss securing major events and commitments towards value for money, timing, frequency, impact and promotion.
- Work in conjunction with other partners to build on and add value to the Christmas season in Cardiff city centre.
- Ring-fence over £100,000 per year exclusively for supporting the priorities of independent businesses.
- Forge closer links between businesses, universities and colleges to build a greater understanding of how to create an exciting and appealing offer, to manage issues as they arise, and hopefully encourage more students to choose Cardiff and stay here once qualified.
- Work with businesses to establish a strong and viable evening economy that encourages people of all ages to stay in the city after work, or to visit the city more regularly in the evening.
- Working with the Council, transport and parking operators, the BID will seek to make it easier to access and to navigate around the city centre.
- Promote information about routes into the city.
- Support cyclists through improved secure facilities.
- Work with partners responsible for the place marketing and management of Cardiff and support a strategy to widen Cardiff's appeal to help promote to a wider audience beyond the immediate catchment area and into national and international markets. Key targets would be business tourism and conferences.

Influential

- Provide a collective voice for over 700 businesses and several sectors, and will communicate and negotiate with other key representative groups.

- Undertake research in to the key issues that affect businesses and to help influence city decision-making.
 - Lobby the City of Cardiff Council and other regional agencies on behalf of BID businesses.
 - Provide a focus point for strengthening business networks, communications, incubating new ideas and collaboration between all city centre businesses regardless of sector.
 - Work with local authorities and economic development agencies to assist them with attracting local, national and international investors.
31. More detail is available within the Summary Business Plan attached as Appendix A.
32. It is proposed that the BID ballot date (the final day of the ballot) will be 30 June 2016. In advance of the ballot a final Business Plan will be sent to all eligible voters within the city centre as well as the Local Authority. The final Business Plan will comprise an update to the Summary Business Plan to include further financial detail and to reflect the latest ratings list for the BID area.
33. In advance of this the BID proposer will also need to send the following information to the local authority:
- A copy of the BID proposal
 - Details on the consultation undertaken
 - The proposed business plan (including estimated cash flows, revenues and overall budget for the duration of the BID)
 - The financial management arrangements for the BID body
34. For the ballot to take place officers will need to confirm receipt of the above information.
35. On 21 April MOSAIC also wrote to the Council to confirm that the entire cost of holding the BID ballot will be covered by the BID Proposer and that this money is budgeted for, and that all potential levy payers and the Billing Authority will receive, before the ballot commences, BID Business Plan which sets out the BID Proposals, the consultation that has been undertaken and financial management details. A copy of this letter is attached as Appendix C.

City Centre Management

36. Recognising the importance of the city-centre the Council has a City Centre Management team who are responsible for dealing with issues within the city-centre, above and beyond the services provided by the Council across the city. The team is responsible for engaging with businesses, and acting as an interface between businesses and the Council. The team is also responsible for the delivery of specific city centre related schemes, including city-centre mobility schemes and the management of the night time economy.

37. In the Cabinet Report of 29 January 2014 it was identified that pressure on resources suggests that a new approach is required to maximise the effectiveness of city centre management. It was proposed that bringing together the current partnership groups as well as other stakeholders would help to maximise the efficiency of the overall city centre management functions and deliver more for the collective resources of all partners.
38. The Business Improvement District provides an opportunity to bring together key stakeholders in the city centre to maximise efficiency of decision making. In light of this it is proposed that the current City Centre Management arrangements are aligned with the proposed BID. In ensuring alignment of resources it is proposed that a Service Level Agreement is developed between Cardiff Council and the Business Improvement District whereby the BID management is able to utilise the resources of the City Centre Management team on the basis that current levels of service provision within the city centre are maintained. Under such an approach staff employed in City Centre Management would remain employed by the City of Cardiff Council. This arrangement would be reviewed after the first year of operation.
39. This approach is typical of other areas where City Centre Management roles are heavily integrated with the appropriate Business Improvement District.

Night Time Economy

40. One of the critical elements of city centre management is how the night time economy is managed. This was noted in particular in the March 2016 Scrutiny Report "How to reduce Crime and Disorder in the Night Time Economy in a time of austerity"
41. The Scrutiny Report noted that "The crux of this Inquiry is the unsettled picture of resources for managing the Night Time Economy in Cardiff and the impact that further cutbacks caused by austerity could have on the effectiveness of this process. The Inquiry has heard clear evidence that the status quo is positive, as demonstrated by views expressed re operational and policy mechanisms, detailed further on in this report, and by the reduction in violent crime and disorder in Cardiff city centre. However, the status quo has come about through flexible resource use which is no longer viable due to austerity cutbacks."
42. With particular reference to the role of the Business Improvement District the Scrutiny Report recommended:

R6. As part of identifying and securing sustainable funding for the essential mechanisms that work in Cardiff, task officers to implement a Late Night Levy, with a legal agreement between Cardiff Council and the South Wales Police and Crime Commissioner to make it transparent that the monies raised by the Levy will be spent in Cardiff on tackling Night Time Economy crime and disorder issues.

R7. Task officers to ensure that all relevant sections of the Council involved in managing the Night Time Economy are involved in the conversations to develop and implement the Cardiff Business Improvement District.

R8. Continue to have strong and constructive conversations with the Cardiff Business Improvement District working group to ensure Night Time Economy issues are kept on the table so that proposals to add to and enhance service provision to tackle these issues appear in the final business case.

R9. Clearly acknowledge that the Cardiff Business Improvement District will not pay for existing Night Time Economy services, including those to tackle crime and disorder.

43. A Business Improvement District would provide a robust mechanism, with resource, to address issues raised by the Scrutiny Committee. Reflecting this Summary Business Plan includes numerous commitments to manage the night time economy.
44. In particular the BID Task Group have made a commitment to dedicate an equivalent amount or greater than would be collected through the Late Night Levy to contribute towards managing the night time economy. The BID Task Group, however, also outlined that this approach would be dependent on an exemption from any Late Night Levy (should this be sought to be introduced) from any businesses contributing to the BID.
45. Representatives from the licensees' community in the city centre raised some concerns over the prospect of committing to support the night time economy through the BID whilst also contributing through the Late Night Levy. Therefore, in order to secure the commitment of resources dedicated to the Night Time Levy the BID would seek assurances from the Council that any paying members of the BID would be exempt from any future Late Night Levy (should this be sought to be introduced) on the basis of the contribution outlined above.

BID Support

46. As part of the BID process the Council are required to undertake baseline service statements which set out current levels of service provision within the BID area for both statutory and non-statutory provision. These allow the BID Company to understand the level of services currently in place so that it can provide services and projects that are additional. These statements are not legally binding but do provide an outline of the commitment to provision of services.
47. The City of Cardiff Council will be the organisation responsible for collecting the BID levy and subsequently will incur costs to administer the collection. The council will charge the BID to cover the costs of these activities.

48. In order that the BID company can begin delivering projects it is proposed that a sum will be provided in advance of future payment of the Levy on the basis that this sum will be taken from future collections of the levy. This will enable the BID to begin delivering projects and services should the ballot be successful
49. The Council as the relevant billing authority will need to enter into an Operating Agreement with the BID which sets out the arrangements for collection, and distribution of the funds collected. This will set out the timing of the distribution of funds after collection. The costs of undertaking the collection will be recharged to the BID. A draft Operating Agreement is attached as Appendix B. The full operating agreement will be determined should a BID company be established.
50. Whilst many ballots are undertaken by the local authority, the Cardiff BID ballot will be undertaken by Electoral Reform Services.
51. If established, a board of directors will also be appointed for the newly established BID. Typically there is representation on the board from local government, though voting powers are limited by legislation to 20%. It is proposed that the Council's representative is the Director of Economic Development.
52. In the event of this arrangement being put in place the Director of Economic Development will also update local Councillors covering the area of the proposed BID on issues that will affect local residents.
53. In addition, and to reflect the growing resident population, the Director of Economic Development will also seek to establish formal links with resident groups to update them on City Centre management issues.

Reason for Recommendations

54. To establish the Council's position on the Business Improvement District, and if approved to outline the support provided.

Financial Implications

55. The attached report provides an update on the proposals to develop a Business Improvement District (BID) in the city centre and outlines the potential role and impact on the council, if businesses identified as potential bid levy payers vote to proceed with a BID.
56. The council has appointed consultants to lead on the necessary work required to develop the proposal, make the necessary arrangements to hold a ballot and in the event of a 'Yes' vote, assist with the implementation phase of the BID. The fee agreed (£93,776) as part of their appointment covers all support costs (including the ballot) and is fully funded from the council's revenue account. As part of their engagement the consultants have prepared a draft business plan, which sets-out how the BID will operate and the associated resource implications.

57. In the event that the ballot secures a decision to proceed, a non-profit BID company is to be established to oversee the delivery of the BID. The company will be fully resourced from the levy that it places on the BID area. The proposal indicates that the BID could generate around £1.5 million based on a levy of 1%. However, the BID Levy Rules are yet to be finalised and the actual levy collected will be impacted by decisions such as the way exemptions and discounts may be applied and the actual collection rate achieved.
58. The draft business plan allocates over 83% of the first year's levy to deliver project activities and initiatives, 14% has been earmarked to meet the BID company's operating costs, with the balance (just under 3%) set aside to cover contingencies. The sums allocated to each heading may need to be flexed as part of the process to fine tune the business plan i.e. once the final rating list is agreed and BID levy rules have been determined.
59. Within the BID area the council has a number of hereditaments and therefore it could become a levy payer itself. Based on the attached proposal the new BID Levy is estimated to cost the council circa £30,000 in the first full year of operation. The BID Levy costs will need to be met from within existing budgets of those service areas operating within the BID area.
60. The council will have a key role in supporting the BID company through the setting-up and management of a separate 'BID Revenue Account'. The council's Revenue Services will be responsible for billing, collecting and enforcement matters in connection with the BID Levy. In order to support this function specialist software will need to be purchased, installed and tested ahead of the agreed billing date. It is important that sufficient time and the appropriate level of resources are set aside to complete these critical tasks.
61. Detailed discussions have been scheduled to take place with the council's software suppliers in May. This should enable a detailed project plan to be agreed to implement the software required and also firm up on the costs involved. At this stage it is not certain that this software will be functional in time for the start of the BID.
62. The council and BID company's respective roles, responsibilities and obligations will be fully set-out in the Operating Agreement and associated schedules. A draft agreement is attached at Appendix B. It is understood that these arrangements are to be concluded on the basis that the council will be reimbursed all costs incurred in setting-up, operating and reporting on BID Levy matters. The final business plan will need to ensure that the resources set aside for 'Levy set-up and collection', reflect the agreed Operating Agreement.
63. The regulations provide that all BID income and expenditure is accounted for through a separate 'BID Revenue Account'. This includes amounts which remain outstanding following enforcement action, details of which

will be passed on to the BID company to consider as part of their debt management procedures. Therefore, the council will not be responsible for any deficits arising within the BID Revenue Account.

64. The BID Levy, as collected by the council, remains the property of the council and is ring-fenced for the specific purpose of the BID. Therefore, once the details relating to the BID company have been finalised (including the business plan and financial management arrangements), the Council will need to undertake a final review and satisfy itself that all the necessary arrangements are in place. The review will need to ensure that the governance structure is appropriate and robust accounting and reporting arrangements are in operation. The final business plan will need to demonstrate that income, expenditure and cashflow projections are in-line with the proposal and that VAT, taxation matters and audit requirements have all been factored in, as appropriate.
65. The proposal to exempt BID levy payers from any Late Night Levy scheme that may be introduced by the council in future will need to be considered as part of any future report brought to Cabinet on such matters.
66. Any request for an 'advance payment' of levy revenues will be assessed once the final business plan has been reviewed and the financial management arrangements are clearly understood. The cashflow implications associated with any advance and its subsequent repayment will need to be clearly set-out within the business plan.
67. The services of the City Centre Management Team as they relate to the activities of the BID company will need to be baselined and agreed through a service level agreement. The agreement will be based on the existing level of resources committed to the management of the city centre and therefore be contained within existing budgets. A further report will be presented to Cabinet following the ballot and the financial implications of any outstanding matters will need to be fully set-out within that report.
68. Once approved the BID Levy will operate for a term of up to 5 years after which a re-ballot is required to continue the BID Levy, otherwise the Operating Agreement will terminate.

Legal Implications

69. The establishment of a Business Improvement District is to be conducted in accordance with the Business Improvement Districts (Wales) Regulations 2005.

RECOMMENDATIONS

The Cabinet is recommended to:

- a) Note the receipt of relevant information relating to the proposed Cardiff Business Improvement District including a summary business plan and boundary
- b) Delegate authority to the Director of Economic Development to exercise the Council's vote in support of the proposed BID Ballot in respect of the hereditaments in the Council's ownership within the BID area subject to any detailed clarification of the information received being satisfactory and subject to no material change in the Summary Business Plan..
- c) Delegate authority to the Director of Economic Development, in consultation with the Leader of the Council, the Chief Executive, the Section 151 Officer and the Monitoring Officer to conclude a Service Level Agreement with relation to City Centre Management and to bring any agreement to Cabinet for approval.
- d) To note the proposal to exempt BID levy paying members from Late Night Levy (should the Council choose to introduce it in the future) on the basis that the Business Improvement District will allocate a sum equal to or greater than the figure that would be collected from the imposition of a Late Night Levy.
- e) Give delegated authority to the Section 151 Officer in consultation with the Leader of the Council, the Chief Executive, the Director of Economic Development and the Monitoring Officer to negotiate an advance to the BID company should the ballot be successful, and on the basis that any advance would be repaid through levy collection and paid within the current financial year and so that any proposed payment would be brought to a future Cabinet meeting for approval.
- f) Give delegated authority to the Section 151 Officer in consultation with the Leader of the Council, the Chief Executive, the Director of Economic Development and the Monitoring Officer to negotiate and complete a BID Operating Agreement on behalf of the Council.
- g) To nominate, should a yes vote be achieved, the Director of Economic Development as the Council representative to the board of the BID company.

NEIL HANRATTY
DIRECTOR OF ECONOMIC DEVELOPMENT
19th May 2016

The following appendices are attached:

Appendix A: Cardiff BID Summary Business Plan
Appendix B: MOSAIC Operating Agreement Template
Appendix C: Cardiff Ballot Authorisation Letter

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BUSINESS
IMPROVEMENT
DISTRICT
ARDAL GWELLA BUSNES

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2016-2021

SUMMARY BUSINESS PLAN

CARDIFFBID.COM

A Cardiff BID could mean £7.5 million being raised by businesses and...

INVESTED BY YOU
MANAGED BY YOU
BENEFITTING YOU

INTRODUCTION

FROM THE TASK GROUP CHAIR

I am delighted to be able to introduce this draft Summary Business Plan for Cardiff Business Improvement District (BID). The Plan is the result of extensive engagement and consultation with Cardiff businesses. A Task Team made up of local business representatives has been working hard, using the business feedback, to create objectives, projects, budgets and potential governance structures for a Cardiff BID. The time is right for a Business Improvement District in Cardiff city centre and we hope you take the time to read through the plan and offer further and final feedback on the ideas it includes. Cardiff is one of the last remaining UK cities without a BID and whilst our city centre is performing well, our competitors are adopting BID's to become more organised and are investing significantly in making their city centres great places to visit, meet, study, work and invest. Surely that is a vision that benefits the Capital City?

The BID is a great way to develop and manage the environment in which we all operate, providing business leadership for an area and acting as a stimulus for visible improvements, but importantly it also provides a united voice of influence and opinion.

The Cardiff BID will provide the opportunity for us to self-fund projects, for the benefit of all businesses in the area through tackling specific local issues and thereby enhancing the overall experience for visitors, shoppers and workers alike.

Businesses so far have said the BID should focus on encouraging people to visit more often, stay longer and invest more in the city centre. We want to hear even more views from businesses and hope the ideas in this draft plan will prompt greater discussion leading towards a ballot of businesses and a convincing YES vote in June 2016.

SIMON PHILLIPS
Marks & Spencer



WHAT IS A BUSINESS IMPROVEMENT DISTRICT (BID)?

A BID is a **business-led initiative** supported by government legislation, which gives local business the power to get together, decide what improvements they want to make in their city centre, how they will manage these and what it will cost them. BID's have the power to raise and spend funds locally, with the sole aim of improving their trading environment.

BIDs have a maximum term of 5 years, which gives them a good length of time for businesses to feel the benefit of the services and projects delivered by the BID. BID's deliver services and projects that are always in addition to those provided by the public agencies including Cardiff Council and the Police.

BIDs are usually run by not for profit companies and are **controlled by the businesses that fund them**. They are run as a private sector organisation with a business mind-set.

A BID can only be formed following extensive consultation with businesses. The ideas from the consultation are included in a business plan. A postal ballot is then carried out giving each eligible business the opportunity to **vote for the implementation of the BID Business Plan**. Since the legislation was introduced in the UK in 2004 nearly 200 BID's have been formed, in locations including Belfast, Birmingham, Bristol, Leeds, Liverpool, Nottingham, Sheffield, Edinburgh and over 50 in London.





WHY DOES CARDIFF NEED A BID?

Cardiff city centre is compact, vibrant, cosmopolitan, and great value for money. Cardiff is also one of the UK's fastest growing cities, with a rising population, new development and investment. It has been named as one of the best shopping destinations in the UK, hosts brilliant major events that draw people from all over the UK and abroad, and is already one of the most liveable capital cities in Europe. So why does Cardiff city centre need a BID?

The city centre is performing well but if Cardiff aspires to continue to be amongst the best it needs to improve and become an even better place for people to visit, meet, study, work and invest. A key part of making this happen is a "Yes" vote for Cardiff BID.

Cardiff continues to be rejuvenated; with major new developments, infrastructure and investment, yet public sector cuts and reduced spending are an ongoing challenge, one faced by every UK city. A BID is a key piece in the jigsaw, which opens the door for all business sectors (retail, leisure, office, entertainment, culture) to work together with the public sector to create a meaningful resource and have a greater say in making change happen – to make the best of what we have already and invest in improvements.

Cardiff is one of the few remaining UK cities not to have established a BID, and our neighbours and competitors are already benefiting from businesses taking that leap to invest in their own future and are now reaping the rewards.

WHAT'S HAPPENED SO FAR?

CONSULTATION OVER THE PAST 6 MONTHS HAS BEEN EXTENSIVE, INCLUDING:

1

A city centre business survey distributed to 1,000 businesses

2

Formation of a BID Task Group – representative of the BID study area both by sector and geographically (see Cardiff BID Task Group)

3

Consultation with the Public Agencies who currently provide services within the city centre

4

Programme of workshops – to allow businesses to engage with the process in more depth

5

One-to-one business meetings

6

Presentations to the sector groups such as the Cardiff Hoteliers Association

This DRAFT SUMMARY BUSINESS PLAN brings all of the above together represents the next stage in our consultation with businesses; we hope the content of this document will trigger even more interest and discussion.

“ A BID in Cardiff is an opportunity for the city to thrive. Businesses will be able to collectively invest in the market in which they trade and in doing so ensure the environment is attractive as possible to existing, potential and future customers.”

ANDREW PHILLIPS
Savills

MEET THE CARDIFF BID TASK GROUP

The Task Group was formed by a representative group of businesses that volunteered to work towards preparing the business plan and the ballot.



Simon Phillips
Marks & Spencer &
Task Group Chair



Marie Fagan
Hilton Hotel/
Cardiff Hoteliers
Association & Task
Group Vice Chair



Cliff Vanstone
John Lewis



Natasha Williams
S.A. Brain



Nick Newman
Brewhouse/
Cardiff Licensees
Forum



Bruno Nunes
Peppermint Bar/
Independent
Business



Phil Sheeran
Motorpoint Arena



Stephen Widnall
Rightacres
Property Co Ltd



Ken Poole
City of Cardiff
Council



Paul Williams
City Centre
Manager



Nigel Griffiths
Chief Inspector
South Wales
Police



Stephen Madeley
St David's
Partnership



Andrew Phillips
Savills / Castle
Quarter

The Task Group also includes: Richard White, Boots

WHAT WE PLAN TO DO

It is important that the BID projects reflect the ideas and address the needs of the businesses who are investing into it. Our consultation to date has found that businesses across all sectors share many similar priorities and needs.

Over the next 5 years, businesses have said that they would want **A BID TO FOCUS ON ENCOURAGING PEOPLE TO VISIT MORE OFTEN, STAY LONGER AND INVEST MORE IN THE CITY CENTRE**. You have told us that the BID needs to spend its first term **building credibility and making a visible difference**. This means improving the quality and consistency of the city centre experience for all our businesses, visitors, employees, students and investors. **Once we have achieved our goals we will actively seek recognition for what we have accomplished through accolades and national awards**. Businesses want to be more involved in shaping the decisions that affect them most and to work together to genuinely influence the way the city centre is managed.

IN SUMMARY, BUSINESSES HAVE SAID IN THE FIRST 5 YEARS THEY WANT THE CITY CENTRE TO BECOME MORE:

WELCOMING

Providing a Capital welcome that is cleaner, safer and greener

VIBRANT

That is lively, entertaining and easier to know about and to get to

INFLUENTIAL

Business working better together, reacting quickly, with resources, whilst helping to reduce costs

Cardiff embracing the BID would be a great step forward in securing collective responsibility for improving our fantastic city.”

NATASHA WILLIAMS
S.A. Brain

“Focussing resources and strategy will enable us to be far more effective, helping Cardiff city centre to be an attractive, vibrant and thriving trading centre into the future.”

STEPHEN WIDNALL
Rightacres



WELCOMING

£3M OVER 5 YEARS

BUSINESSES SAID...

We need to get the basics right and to improve standards and the presentation of the city centre, making it look good, feel safer and better managed. You want quality public realm and cleaner streets, enforcement of anti-social and unlicensed activity and investment to ensure customers can enjoy the night time economy without fears about safety and anti social behaviour.

CARDIFF BID WILL...

Page 30 CLEANER

- Fund a dedicated **cleansing and waste team** to deal directly with business concerns; carry out tactical cleaning of frontages, doorways and hot spots that can quickly and efficiently target problem areas over and above those currently provided by the Council; and responding to business call outs and report/liaise with Cardiff Council.
- Work with Cardiff Council to ensure their cleansing and collection schedules supports the needs of the city centre businesses e.g. 'morning after', following major events, timely waste collections. Also, to work to provide information and advice to businesses on the presentation of waste.

SAFER

- Support a team of uniformed BID-branded **Cardiff Ambassadors** dedicated to ensuring the city centre is a safe, secure, managed environment. This team will provide a warm welcome to the BID area, be a hub of information for visitors and businesses, and become the face of our city centre.
- The BID is committed to investing in the management of the evening and night time economy, and to strengthening business participation with crime reduction partnerships and supporting any **new or improved business crime management initiatives**.
- Add value to existing night time economy schemes, for example the **Street Pastors and Taxi Marshalls**, where they continue to provide valuable on street support for the city's night-time visitors. That means even more residents; students, visitors and employees will be able to benefit from the reassurance of using the city centre at night.

- The BID will seek to work with Cardiff Business Safe to continue to grow the existing **RadioNet Scheme**, a valuable tool linked with CCTV which shares information on incidents of crime and anti-social behaviour and potential offenders. The BID will look at linking the proposed Ambassadors and its 700 business members with the scheme, as well as seeking to reduce the cost to businesses, increase coverage and its effectiveness.
- Work with agencies around the reduction and improved management of the homeless community and strategies to **manage street begging and drinking**, both of which are highly visible on the streets.

HOW WE WILL WORK WITH THE LATE NIGHT LEVY?

The late night levy is a local authority power to raise a financial contribution from late-opening (after midnight) alcohol suppliers towards policing the night- time economy. This is separate from the BID, with Cardiff Council & the Police considering introducing a city wide Late Night Levy in the near future.

- The BID will secure a **Late Night Levy exemption** for licensees located within the city centre BID area
- Licensed businesses that fall below the proposed £25,000 rateable value BID threshold and decide to take out voluntary membership of the BID (see below - How are BID's funded? page 18), the BID is committed to paying any future Late Night Levy. This is to ensure that all BID businesses are competing on an equal footing and encourage the growth of small independent licensees.

GREENER

- Provide and tend to **additional planting and lighting** initiatives and help install floral displays to achieve a more attractive 'softer' environment across the whole of the BID area.
- Work with property owners and local authorities to urge for the improved presentation of the **key arrival points/gateways** and to be proactive in removing the clutter and distractions that currently exist.



VIBRANT

£4M OVER 5 YEARS

BUSINESSES SAID...

Cardiff has a great profile across the UK and globally as a city of attractions, big brand and independent shopping, international sport, culture and entertainment. There are also 1.6 million people living within an hours travel to the city centre and a footfall of some 40 million a year. You want the BID to focus on improving the city centre experience, whether for residents, students, employees and visitors. This means **making it easier to travel into and out of the city centre, capturing people more frequently and keeping them here for longer.** This would mean making the city centre busier and vibrant, both day and night, and all year-round.

CARDIFF BID WILL...

ENTERTAIN

- Invest in a city centre entertainment – to draw people into and around the whole BID area week in week out. Smaller, **more focused and more frequent street entertainment** will familiarise visitors with the entire city centre, and create a positive, welcoming atmosphere.

EVENTS

- We know the city is celebrated for its major events that enhance both the reputations of Cardiff and Wales. We will establish which events drive business growth with an objective of enhancing the events calendar to drive an even greater return for all sectors. This will include: **providing additional funds to support existing events that evidently boost business and establish new events in current quiet periods** which will

increase footfall and spend e.g. fashion, food, culture, music, film and so on, e.g. Vogue's Fashion Night Out in Heart of Manchester BID.

- We will work with the Millennium Stadium, Stadium Events Group, Cardiff Council and tourism partners to ensure **businesses have an open and positive input to the bidding, planning and management phases of major events held across the centre.** The BID would help coordinate a cross sector business group to discuss securing major events and commitments towards value for money, timing, frequency, impact and promotion.
- Christmas campaign** -working in conjunction with other partners to build on and add value to the Christmas season in Cardiff city centre. The BID will ensure Christmas kicks off with a bang and is a world class and memorable experience.

INDEPENDENT

- Independent businesses and the historic arcades are a crucial and distinctive feature of Cardiff's retail and leisure offer.** The BID is committed to celebrating and supporting their vital contribution to the charm, character and diversity of the city centre – this means there really is something for everyone.
- The BID will **ring-fence over £100,000 per year exclusively for supporting independent businesses** priorities for example marketing, and form a new independent business group to recommend how this fund is spent each year. In addition the proposed investment in entertainment, events and marketing will include bespoke independent aspects to each campaign.

STUDENTS

- There are 75,000 students within the catchment of city centre, and with new developments taking place, the number of students living in the centre continues to grow. The BID will forge closer links between businesses, universities and colleges to build a greater understanding of how to **create an exciting and appealing offer**, to manage issues as they arise, and hopefully encourage more students to choose Cardiff and stay here once qualified.

CITY CENTRE WORKERS

- Many office sector businesses have told us how important a vibrant, safe and accessible city centre is to the recruitment and retention of their workforce. The same has been said about encouraging clients and suppliers to visit and spend more time in Cardiff. **The BID would ensure that the Cardiff city centre experience is good for their employees and good for promoting their own business.**





“ Cardiff is such a fantastic city and embracing Cardiff BID will provide Independent businesses like mine, with an excellent opportunity to promote and enhance what we already have. Put simply, the BID will work for all city centre businesses and will have the opportunity to sit at the table of all the key decision making forums of our city thus aiding the representation of ourselves far better than anything else has ever in the past.”

BRUNO NUNES
Peppermint Bar

AFTER WORK & EVENING ECONOMY

- Successful cities have often established diverse retail and leisure experiences that appeal to employees and visitors in the evening. The BID will work with businesses to **establish a strong and viable evening economy** that encourages people of all ages to stay in the city after work, or to visit the city more regularly in the evening.

PUBLICISE IT!

- If we are putting on entertainment, running events, have special promotions or know about the great things our partners are doing, **the BID will have a solid communications strategy and make sure all 700 levy paying businesses know about it so you can also tell your customers and employees.** We will liaise with the shopping centres and other agencies who are already marketing themselves and Cardiff – in order to **avoid duplication and to improve the coordination of information.**
- We will develop effective website and digital platforms and excellent media relations to spread the word.

EFFORTLESS

- Working with the Council, transport and parking operators, the BID will seek to **make it easier to access and to navigate around the city centre.** The BID will promote information about routes into the city, car parking availability/locations/cost, navigating the city centre, opening hours, best times to visit the city, and so on. Lack of clarity around these issues can prevent people from visiting the city particular during peak periods and major events.
- We will **support cyclists through improved secure facilities.**

- We will review existing information signage to reflect the changing appearance and behaviours of city centre users and invest in this **so that the whole business community feels that it is cohesive, consistent and easier for people to use.**

IDENTITY & RECOGNITION

- The BID would establish an **instantly recognisable identity**, so visitors know they are within a managed area and can expect a high quality, lively, diverse and memorable experience provided by the BID.
- We will **actively seek national recognition for what we have achieved** in making the city centre more Welcoming and Exciting through national awards.
- The BID would work with partners responsible for the place marketing and management of Cardiff and support a strategy to widen Cardiff's appeal - to help promote to a wider audience beyond the immediate catchment area and into national and international markets. Key targets would be business tourism and conferences.

“ Cardiff does partnership very well - we are much stronger as one and by working together we can reduce our costs and help the city centre to flourish.”

MARIE FAGAN
Hilton Hotel

INFLUENTIAL

£500K OVER 5 YEARS

BUSINESSES SAID...

The business community needs to work more collectively, binding all the key sectors together around mutual priorities. You also want an independent business voice that is heard on the bigger issues and with the resources and clout to get things done and help you perform effectively.

The Cardiff business environment is clearly on the move and the BID will represent your interest wherever it can. For example, there are important discussions taking place around new investment, transport infrastructure and Council resources, the Cardiff Capital Region, City Deal and Enterprise Zone.

CARDIFF BID WILL...

INFORM & REPRESENT

- Cardiff BID will provide a **collective voice for over 700 businesses** and several sectors, and will communicate and negotiate with other key representative groups.
- The BID has a **commitment to regularly communicate progress** with businesses through quarterly newsletters and annual reports.
- We will have independent resources and the financial capacity to **influence and inform key decisions** that are vital to the city centre and keep you informed of key issues that matter to you.
- The BID will also be able to undertake its own **independent research** in to the key issues that affect businesses and to help influence city decision-making.

- Lobby Cardiff Council and other regional agencies on behalf of BID businesses. We will have **regular meetings with senior Political leaders and Council Officers**, providing access to robustly represent the views of the BID community.

COLLABORATE

- We will provide a **focus point for strengthening business networks, communications, incubating new ideas** and collaboration between all city centre businesses regardless of sector.
- We will work with local authorities and economic development agencies to assist them with **attracting local, national and international investors**.

CUT BUSINESS COSTS- IMPROVE PERFORMANCE

- We will use our collective buying power to **negotiate discounts on business costs** such as waste collection, energy, insurance, legal fees etc.
- The BID will inform you of any new economic initiatives with business finance or grants to support your growth. For example the Digital Cardiff project that offered grants to upgrade to super-fast broadband.

“ I am very supportive of the Cardiff Business Improvement District - bringing together retailers and other city centre businesses, to have a direct say in how their money is spent, will help bring focus and additional activity to our City.”

CLIFF VANSTONE
John Lewis



HOW ARE BIDs FUNDED?

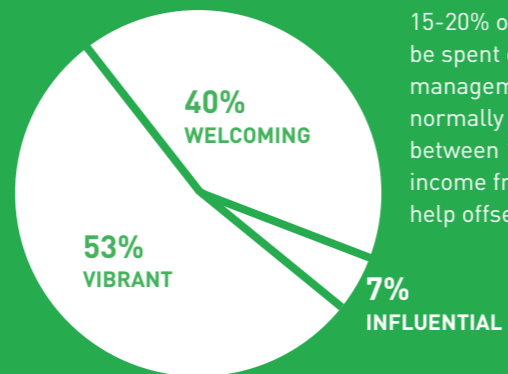
BIDs are funded by the businesses within the BID area. If these businesses vote yes for the BID this will raise over **£1.5M PER YEAR FOR FIVE YEARS, EQUATING TO £7.5 MILLION** to deliver the improvements that will directly benefit your business and the city.

If the BID vote is successful, all eligible businesses will pay a levy of circa 1% of the rateable value of the business. Smaller businesses with a rateable value of less than £25,000 will be exempt from paying the levy. Below the table gives an example of

how much the BID levy will be. The BID levy is an investment and typically for every **£1 INVESTED, BUSINESSES CAN EXPECT TO SEE A £3 RETURN.**

It is possible for businesses that are exempt such as those below £25,000 in rateable value and those in sectors outside Retail, Leisure, Culture, Tourism, Office and Commercial to make a voluntary investment which entitles them to all the projects and services outlined in the Business Plan as well as full rights in the governance and management of the BID Company.

TOTAL BUDGET £1.5M PER ANNUM



15-20% of the income will be spent on overheads and management of the BID. BIDs normally expect to generate between 15-20% additional income from other sources to help offset its overheads.

RATEABLE VALUE	MAXIMUM ANNUAL LEVY	MAXIMUM DAILY EQUIVALENT
£25,000	£250	£1.20
£50,000	£500	£2.40
£75,000	£750	£3.60
£100,000	£1,000	£4.80
£200,000	£2,000	£9.60
£300,000	£3,000	£14.40
£750,000	£7,500	£36.00
£1,000,000	£10,000	£48.00
£2,000,000	£20,000	£96.00

CARDIFF BID AREA

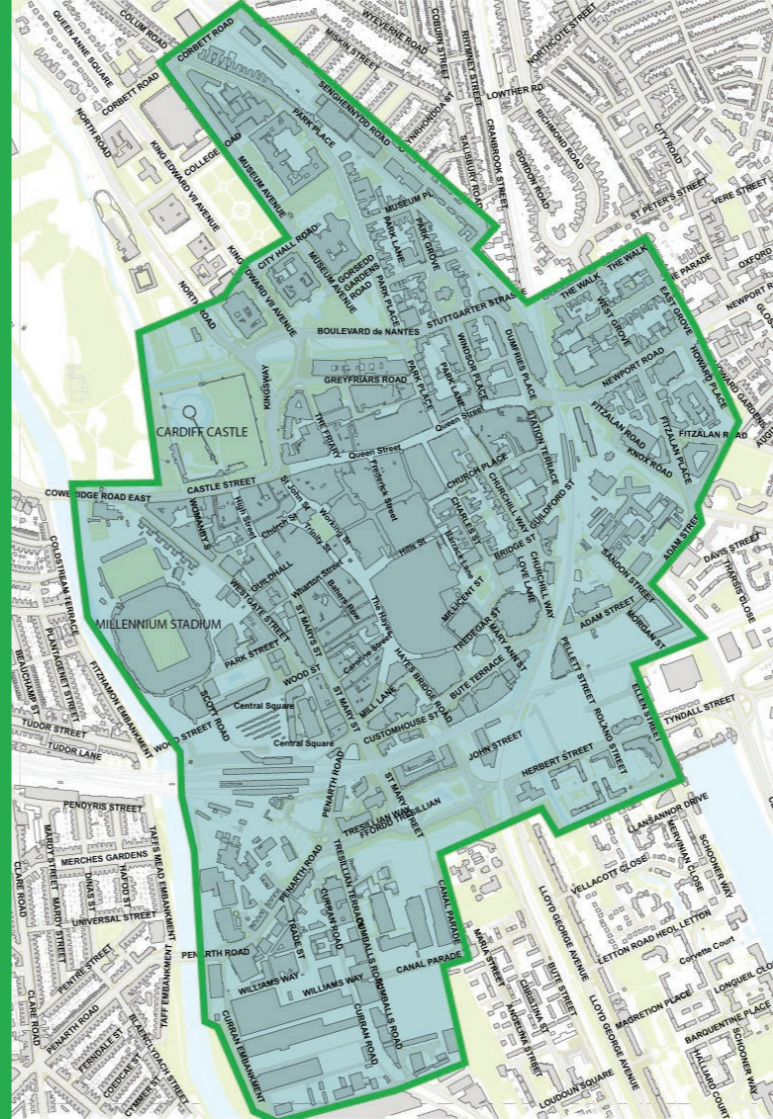
Cardiff has developed with several distinctive business zones all within close proximity to the centre of the city. The draft BID area has been carefully chosen to include all of these established and developing zones, and the key business sectors reliant on the city centre for commerce, infrastructure and profile.

HOW WOULD A CARDIFF BID BE MANAGED AND CONTROLLED?

To deliver the improvements in the city centre an independent, not-for-profit company will be set up. The BID company will be led by a voluntary board elected by businesses paying the BID levy and directly accountable to all levy payers. **BIDs are normally lean and efficient organisations and there will be a BID Director and up to two support staff.**

Funding raised by the levy can only be spent within the BID area on delivering the services and projects that are set out in the formal Business Plan. The BID can last for a maximum of 5 years before going to vote again.

Throughout the 5 year term the BID company will have to demonstrate to levy payers how the BID is benefiting the city centre and the businesses within it. The BID can raise additional money and seek match funding on projects to ensure that businesses get even better value for money. **A BID will keep its overheads as low as possible** with professional paid staff and operating costs like amounting to no more than 20% of its total income, this will be clearly set out in the final BID Business Plan.



THE BALLOT

BIDs are democratically elected in that for a BID to be established a ballot of all eligible businesses in the BID area must be held - a ballot for the Cardiff BID is planned to take place in June 2016. Over 50% of businesses that vote, must vote Yes. For the BID to go ahead those business that voted Yes must represent a greater total of rateable value than those that voted No. The BID can operate for a maximum of five years before going to vote again. Businesses cannot 'opt out'; **if the BID gets a majority YES vote, everyone contributes and everyone benefits.**

YOUR QUESTIONS ANSWERED...

IS THIS A WAY FOR THE COUNCIL TO SAVE MONEY?

Definitely Not. Cardiff BID will be an independent, private, not-for-profit company. The BID will be formed for and monitored by, the levy-paying businesses, and will operate solely to deliver the projects contained within the Cardiff BID Business Plan – that's why it is so important to get the business plan right! All projects and services delivered by the BID will be new, or in addition to Council services. Legally, a BID can only deliver over and above existing services and part of the BID's role will be to ensure local public agencies are delivering against the baseline statements they have already provided to the BID team.

ISN'T THIS WHAT I PAY MY RATES FOR?

No. Rates are a property tax used to fund both local and national services. They are collected by Cardiff Council on behalf of the Government. The BID Levy is an investment, it will go to a separate bank account and be spent entirely on fulfilling the objectives of

the BID Business Plan—so 100% of the money will be spent on improving the BID area in Cardiff.

HOW MUCH WILL THIS COST ME?

The levy is based upon **1% of the rateable value** of each eligible property for businesses with a rateable value exceeding £25,000. The total annual budget will be in the region of £1.5 million, all of which will be directly invested in projects to improve the BID area.

WHY SHOULD I VOTE YES?

If you vote YES in June 2016 you can expect to see a better promoted, maintained and managed city, and more support, including reduced costs, for your business. The BID will only go ahead if the majority of those who vote, both by number of businesses and by total rateable value, say YES.

WHAT HAPPENS IF I VOTE NO?

Cardiff is one of just a few major cities left across the UK without a BID. If you vote no to a Cardiff BID you are effectively saying no to additional sustainable funding to support our city centre whilst our competitors are increasing their spending. Without this investment we will lose the opportunity to improve the city centre– we will lose the opportunity to make a difference!

If you have any questions or for more information contact:

OWEN DAVIES BID DEVELOPMENT MANAGER
TEL 07809 594524 EMAIL owen@themosaicpartnership.co.uk

PETER DAY SENIOR PROJECT MANAGER
TEL 07712 839767 EMAIL peter@themosaicpartnership.co.uk

MO ASWAT PROJECT DIRECTOR
TEL 07789 792454 EMAIL mo@themosaicpartnership.co.uk

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THE **MOSAIC** PARTNERSHIP
PEOPLE TRANSFORMING **PLACES**

BID Operating Agreement
Template

For Discussion

THE MOSAIC PARTNERSHIP
MOOR FARM | PRESTONS LANE, COALVILLE
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Dated

BID LEVY OPERATING AGREEMENT

(Insert Local Authority)

- and -

(Insert BID Company)

Agreement

THIS DEED is made the day of 20XX
BETWEEN

(1) *(Insert Local Authority)*

(2) *(Insert BID Company)*

Recitals

- A The *(Insert Local Authority)* is the billing authority for the purposes of the Local Government Act 2003 and is responsible for collecting the BID Levy and administering the BID Revenue Account which shall be used towards the operation of the BID within the area of the Local Authority and the funding of the BID Arrangements.

- B The BID Company is responsible for the operation of the BID and for using the BID Levy for the purposes of achieving the BID Arrangements.

- C Both parties wish to confirm the arrangements by which the BID Levy shall be collected together with general arrangements as to the relationship to be established between the *(Insert Local Authority)* and the *(Insert BID Company)* for the duration of the BID.

- D The purpose of this Agreement is to:
 - establish the procedure for setting the BID Levy;
 - confirm the basis upon which the *(Insert Local Authority)* will be responsible for collecting the BID Levy;
 - set out the enforcement mechanisms for collection of the BID Levy;

- set out the procedures for accounting and transference of the BID Levy;
- provide for the monitoring and review of the collection of the BID Levy;
- confirm the manner in which the *(Insert Local Authority)* expenses incurred in collecting the BID Levy shall be paid.

1. Statutory Authorities

To be inserted by Local Authority Legal Section

2 Commencement

This Agreement shall not take effect until the Ballot Result Date and in any event shall determine and cease to be of any further effect in the event that:

- the *(Insert BID Company)* fails to secure approval of the Proposals, Renewal proposals or Alteration Proposals in a ballot, renewal ballot, alteration ballot or rebalot;
- the Secretary of State declares void a BID ballot renewal ballot alteration ballot or re-ballot;
- the *(Insert Local Authority)* exercises its veto and there is no successful appeal against the veto;
- the BID Term expires save where the *(Insert BID Company)* secures approval of Renewal Proposals in a renewal ballot or Alteration Proposals in an alteration ballot or Proposals in a rebalot in which event this Agreement shall continue until the expiry of the BID Term set out in the Renewal Proposals, Alteration Proposals or the Proposals set out in the rebalot provided, in relation to Renewal Proposals and Alteration Proposals the Council consents to such continuation;
- the *(Insert Local Authority)* exercises its discretion to terminate the BID Arrangements in exercise of powers under regulation 18 of the Regulations.

3 Setting the BID Levy

As soon as possible upon the Ballot Result Date the *(Insert Local Authority)* shall:

- calculate the BID Levy for each BID Levy Payer in accordance with the BID Levy Rules; and
- confirm in writing to the *(Insert BID Company)* the BID Levy payable by each BID Levy payer

4 The BID Revenue Account

As soon as is reasonably practicable following the Ballot Result Date the *(Insert Local Authority)* shall keep a BID Revenue Account in accordance with regulations and accounting codes of practice in force at the time and provide written confirmation to the *(Insert BID Company)* of the same.

As soon as reasonably practicable following the Ballot Result Date the *(Insert BID*

Company) shall provide the *(Insert Local Authority)* with details of its bank account into which the BID Levy shall be transferred from the BID Revenue Account and any other details which the *(Insert Local Authority)* may reasonably require.

The *(Insert Local Authority)* will pay to the BID Company on account for services provided in administering the BID arrangements on behalf of the *(Insert Local Authority)*, each month a sum equal to the monies collected in the month and properly credited to the BID Revenue Account net of cost of collection and refunds. The payment to be made within 10 working days of the month end.

Annually the *(Insert Local Authority)* will pay to the BID Company or receive from it the balance of monies having taken account of the monthly on account payments and balance on the BID Revenue Account at the year end. The final payment to be made by 30 June following the year end.

All sums will be subject to Value Added Tax (VAT) where applicable under VAT legislation and regulations in force at the time.

The *(Insert BID Company)* and the *(Insert Local Authority)* as appropriate will issue VAT receipts, where applicable under VAT legislation and regulations in force at the time, for monies received within 7 working days of receipt of the monies.

5 Collecting the BID Levy

As soon as reasonably practicable following the Ballot Result Date the *(Insert Local Authority)* shall confirm in writing to the *(Insert BID Company)* the anticipated date of the despatch of Demand Notices for the initial Chargeable Period and the anticipated Single Instalment Due Date.

The *(Insert Local Authority)* shall serve a Demand Notice on each BID Levy Payer and thereafter shall continue to calculate the BID Levy and serve a Demand Notice throughout the BID Term.

The *(Insert Local Authority)* shall maintain a list of those BID Levy Payers who have paid the BID Levy and those BID Levy Payers who have not paid the BID Levy and shall make the list available to the *(Insert BID Company)* upon its reasonable request.

The *(Insert Local Authority)* shall serve a Demand Notice or amended Demand Notice on a BID Levy Payer as soon as reasonably practicable after the *(Insert Local Authority)* receives notice of a change that affects liability for the BID Levy.

The *(Insert Local Authority)* shall use all reasonable endeavours to collect the BID Levy throughout the BID Term.

6 Procedures available to the Council for enforcing payment of the BID Levy

Procedures for the enforcement and recovery of the BID Levy will be in line with the enforcement procedure for NNDR and the *(Insert Local Authority)* shall comply with these enforcement procedures (where appropriate) in enforcing payment of the BID Levy against BID Levy Payers.

7 Enforcement Mechanisms In The Event That The Council Fails to Enforce Collection of the BID Levy

In the event that the *(Insert Local Authority)* fails to enforce payment of the BID Levy pursuant to Clause 8 the *(Insert BID Company)* shall be entitled to serve an Enforcement Notice on the *(Insert Local Authority)* requesting that:

- the *(Insert Local Authority)* serve a Reminder Notice or

- - In the event that the *(Insert Local Authority)* has already served a Reminder Notice that the *(Insert Local Authority)* applies for a Liability Order and the Council shall thereafter provide written confirmation of the action it shall take to comply with the Enforcement Notice.

- If the *(Insert Local Authority)* fails to provide written confirmation of the action it is taking in relation to the Enforcement Notice within 21 days of the issue of the Enforcement Notice the *(Insert BID Company)* shall be entitled to serve an Appeal Notice on the Director of Finance of the *(Insert Local Authority)* and such notice shall:

- detail the Sum Unpaid;

- confirm that the *(Insert Local Authority)* has failed to use the enforcement mechanisms available to it under this Agreement to recover the Sum Unpaid; and

- include written notice requesting that a meeting of the Monitoring Group take place in order to achieve a solution and/or agree a strategy to recover the Sum Unpaid such meeting to take place no later than 28 (twenty eight) days from the date of the Appeal Notice.

8 Accounting Procedures and Monitoring

Within 21 working days of the end of the month and every month thereafter (for the duration of BID Term) the *(Insert Local Authority)* shall provide the BID Company with:

- (i) the amount of the BID Levy for each BID Levy Payer;
- (ii) the amount of the BID Levy collected for each BID Levy Payer;
- (iii) details of BID Levy Payers who have not paid the BID Levy;
- (iv) details of Reminder Notices issued;
- (v) details of Liability Orders made or applied for;
- (vi) details of agreement made, if any, between the *(Insert Local Authority)* and BID Levy Payers where it has been agreed that payment of a Demand Notice can be made over a period of 3 (three) months or more from the date of such Demand Notice.

Within one month from the Ballot Result Date the parties shall agree the dates when there will be meetings of the Monitoring Group and there will be at least two such meetings in each Financial Year (throughout the duration of the BID Term) and on all other occasions further meetings of the Monitoring Group shall be arranged by the service of written notice by either party.

At each meeting the Monitoring Group shall only:

- review the effectiveness of the collection and enforcement of the BID Levy; and
- if required by either party review and assess information provided by the parties.

Within 3 (three) months after the end of each Financial Year (for the duration of the Bid Term) the *(Insert Local Authority)* shall provide an Annual Report to the *(Insert BID Company)*

Within 1 (one) month from the date of receipt of the Annual Report in each financial year (for

the duration of the Bid Term) the *(Insert BID Company)* shall provide a BID Company Report to the *(Insert Local Authority)*

The BID Revenue Account will be subject to the normal internal & external audit arrangements of the *(Insert Local Authority)*. The *(Insert Local Authority)* will make available to the *(Insert BID Company)* and its appointed auditors such information as requested by the *(Insert BID Company)* and its appointed auditors and that it is able to do so under legislation and regulation

9 Confidentiality

Both the *(Insert Local Authority)* and the *(Insert BID Company)* shall keep confidential and not divulge to any person without the prior written consent of the other party all information (written or oral) concerning the business affairs of the other nor any information which has been exchanged about the BID Levy Payers or Contributors or about other third parties which it shall have obtained or received as a result of operating the BID and this obligation shall survive the termination or lapse of the BID Arrangements.

10 Notices

Any notice or other written communication to be served or given to or upon any party to this Agreement to the other shall be in writing and shall be sent to the address provided for above or such substitute address in England as may from time to time have been notified by that party upon 7 days written notice

A notice may be served by;

- delivery to the Director of Finance at the address of the *(Insert Local Authority)* specified above; or
- delivery to the Company Secretary at the address of the *(Insert BID Company)* specified above;
- registered or recorded delivery post to such addresses;
- electronic Communication (provided that it is in legible form and is capable of being used for subsequent reference) to such addresses.

Any notice served shall be deemed to have been validly served or given at the time when in the ordinary course of business it would have been received.

11 Contracts (Rights Of Third Parties)

The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement.

12 Arbitration

The following provisions shall apply in the event of a dispute:

- any dispute or difference of any kind whatsoever arising between the parties hereto out of or in connection with this Deed shall be referred to arbitration before a single arbitrator;
- the parties shall jointly appoint the arbitrator not later than 28 (twenty eight) days after service of a request in writing by either party to do so and each party shall bear its own costs;
- If the parties are unable to agree within 28 (twenty eight) days the appointment of such

arbitrator then such arbitrator (hereinafter referred to as “the Tribunal”) shall be appointed on the application of either party to the President for the time being of the Law Society;

In the event of a reference to arbitration the parties agree:

- to prosecute any such reference expeditiously; and
- to do all things or take all steps reasonably necessary in order to enable the Tribunal to deliver any award (interim, final or otherwise) as soon as reasonably practicable;
- that the award shall be in writing signed by the Tribunal and shall be finalised within 21 (twenty one) days from the date of such award;
- the award shall be final and binding both on the parties and on any persons claiming through or under them.

Signed by

(Insert Local Authority)

Date:

(Insert BID Company)

Date:

Chief Executive/The Returning Officer
Cardiff Council
County Hall
Atlantic Wharf
Cardiff CF10 4UW.

Date: 21 April 2016

Dear Sir/Madam

FORMAL LETTER TO REQUEST BILLING AUTHORITY TO INSTRUCT BALLOT HOLDER TO HOLD A BID BALLOT

I am writing on behalf of the Cardiff BID, to formally request that you instruct the ballot holder to hold a BID ballot. The ballot date (the final day of the ballot) will be 30 June 2016.

In line with the requirements of Regulation 4 of the Business Improvement District Regulations of 2004 I confirm the following:

1. The entire cost of holding the BID ballot will be covered by the BID Proposer and that this money is budgeted for.
2. The Local Authority, as the billing authority have been partners in the development of the BID Proposal and as far as we are aware no proposals conflict with any policy formally adopted by them.
3. All potential levy payers and the Billing Authority will receive, before the ballot commences, BID Business Plan which sets out the BID Proposals, the consultation that has been undertaken and financial management details

Please do not hesitate to contact me if you have any queries or require further information.

Yours sincerely



M. Aswat
Director

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