

City Council – 3 March 2025

Report of the Executive Member for Skills, Growth and Economic Development

Corporate Director/ Director – Nicki Jenkins, Corporate Director for Growth and City Development

Report Author and Contact Details - Mark Armstrong, Towns and City Centre Management / Neighbourhood Investment Specialist, Economic Development

Title: Nottingham Business Improvement District (BID) Renewal

Does the report form part of the Budget or Policy Framework?

Yes No

Commissioner Consideration

Has this report been shared with the Commissioners' Office? Yes No
Any comments the Commissioners wish to provide are listed below.

Does this report contain any information that is exempt from publication?

No

Relevant Council Plan Key Outcome:

| | |
|--|-------------------------------------|
| Green, Clean and Connected Communities | <input type="checkbox"/> |
| Keeping Nottingham Working | <input type="checkbox"/> |
| Carbon Neutral by 2028 | <input type="checkbox"/> |
| Safer Nottingham | <input type="checkbox"/> |
| Child-Friendly Nottingham | <input type="checkbox"/> |
| Living Well in our Communities | <input type="checkbox"/> |
| Keeping Nottingham Moving | <input type="checkbox"/> |
| Improve the City Centre | <input checked="" type="checkbox"/> |
| Better Housing | <input type="checkbox"/> |
| Serving People Well | <input type="checkbox"/> |

1. Summary

1.1 This report outlines the key stages involved in the renewal of the Nottingham BID (trading as It's In Nottingham) and seeks approval from Council to delegate authority to the Corporate Director for Growth and City Development to receive and consider the BID renewal proposals, to authorise entering into an Operating Agreement with the BID Company and to nominate the Portfolio Holder for Skills, Growth and Economic Development to hold the proxy vote on behalf of the Council.

2. Recommendations

2.1 Authorise the Corporate Director for Growth and City Development, in accordance with the requirements of The Business Improvement Districts (England) Regulations 2004 ("the Regulations"), to:

- (i) Receive the Nottingham BID renewal proposals from Nottingham BID Company Limited ("the BID Company") on behalf of Nottingham City Council ("the Council");

- (ii) Consider the Nottingham BID renewal proposals to establish whether or not they are of the view that the proposals conflict with the Council's policy, and if so to notify the BID Company of any such conflict;
- (iii) Instruct the Council's Returning Officer as Ballot Holder to hold a BID ballot for the proposed renewal of the Nottingham BID;
- (iv) In the event of a vote in favour of the Nottingham BID renewal proposals to consider whether any prescribed circumstances as defined in the Regulations apply and if so to decide whether or not to exercise a veto having regard to matters prescribed in the Regulations; and
- (v) In the event of a vote in favour of the Nottingham BID renewal proposals and subject to any veto, to enter into an Operating Agreement under which the Council will collect the levies due on behalf of the Nottingham BID Company

2.2 Nominate the Portfolio Holder for Skills, Growth and Economic Development to hold the proxy vote on behalf of the Council as an eligible levy payer in the BID ballot.

3. **Reasons for recommendations**

3.1 Delegated authority is recommended as the Nottingham BID Company Limited (the BID Company) is currently in the process of finalising its renewal proposal documentation. Unfortunately, Full Council is not now currently proposed to meet again until May 2025 and this date is yet to be confirmed. If this report was submitted to that later meeting it would be unlikely to allow the time required to be ready for the BID Company's proposed ballot period of 13 June 2025 until 10 July 2025. Delaying this decision would mean that the Council would not be able to comply with the requirements of the Regulations to meet the timetable requested by the BID Company and may result in a ballot period being held over the summer holiday period which is likely to have a negative impact on the turnout for the ballot and may result in a loss of momentum and support that has gained from businesses for the proposals during the ongoing consultation period.

3.2 In the event that the recommended delegation is approved and to ensure transparency, the decision will be taken and published on the Council's website via the Council's delegated decision-making process.

3.3 The Business Improvement Districts (England) Regulations 2004 (the Regulations) set out the documentation that the BID Company must send to the Billing Authority (the Council) for its consideration. The Council then has the power to consider those proposals including the business plan ensuring that they do not conflict with adopted policy. If the Council concludes that it does conflict with Council policy, it must notify the BID Company as soon as possible. In the event that the BID renewal proposals are approved at ballot the Regulations give the Council a power of veto in specified circumstances. Detailed in paragraph 3.4 below are the key priorities that the Council would want to see addressed in any BID renewal proposals. These are presented to Members for information. The 'approval' of the BID proposals only occurs in the event of a 'yes' vote by the BID electorate.

- The BID Company has provided notice to instruct the Ballot Holder ("the Council's Returning Officer") to hold a BID Ballot, but the Council is not required to hold a BID ballot until the following are received in compliant with the Regulations:
- The BID renewal proposals (including the geographical area which they will apply to)
- a summary of the following

- i. Consultation which has taken place
 - ii. Proposed Business Plan
 - iii. Financial management arrangements for the BID, and the arrangements for providing the Council with information on the finances of the BID
- Information to the satisfaction of the Council that the BID Company has sufficient funds to meet the costs of the ballot.

3.4 The BID's proposed activities are anticipated to have a continued focus on marketing and promotion of the retail and leisure offer, as well as targeting security, the nighttime economy and cleansing. The BID's proposed activities and the BID levy rules will provide an excellent opportunity for the Council to work collectively with the city centre retail and leisure sectors towards the realisation of aspirations for Nottingham in terms of the following Strategic Council Plan 2024-27 Refresh and the high-level outcomes for Nottingham:

The UK's most liveable city – Healthy, Safe, Clean, Green, Proud and Ambitious

- Improve the City Centre
- Keeping Nottingham Working
- Serving People Well
- Carbon Neutral City by 2028 – first in UK

The BID Company will also help achieve the priorities published in July 2024 in Nottingham's Economic Plan for Growth 2024 – 2030:

- Priority 11: Flourishing City Centre and Neighbourhoods

3.5 The Council and BID Company propose to work together and advance opportunities to deliver projects and services, alongside other partners and bodies including the Police and Marketing Nottingham Nottinghamshire and the two main universities. The BID proposals will be scrutinised to ensure they do not conflict with any policies adopted by the Council.

3.6 A requirement under the Regulations is that the Council has to provide for the imposition, administration, collection, recovery and application of the BID levy. The terms under which the Council provides these services will be set out within an Operating Agreement between the Council and the BID Company. The terms of any renewed agreement between the Parties will be negotiated and finalised in the event of a favourable ballot result for the BID.

3.7 The Council falls within the class of non-domestic rate payer liable for the BID levy described within the BID proposals by way of its rating liability for properties it owns and occupies within the BID area. To discharge its duty of entitlement to vote, the Council is required to nominate a proxy eligible to vote on behalf of the Council. The proxy voter will receive, complete and return the BID ballot papers within the period of the ballot.

4. Other options considered in making recommendations

4.1 It is a requirement of the Regulations that the Council must receive and consider BID proposals when submitted to assess whether they are in conflict with Council Policy, and when in receipt of the information as set out in paragraph 3.3 above in accordance with the Regulations the Council is then under a legal requirement to hold a BID ballot. Not receiving the BID renewal proposals is therefore not an option

for consideration

4.2 The reasons for requesting delegated authority for the Corporate Director to receive the renewal proposals and consider them, as opposed to full Council consideration have been explained as resulting from the need to be able to hold the BID ballot within timescales that fit the project and it would also allow some flexibility in the event of project slippage or in the event that matters require further attention by the Council.

4.3 Not appointing a person to act as Proxy for the Council's vote would not be in the best interests of the Council. The Council is part of the BID electorate by way of holding properties within the BID area.

5. **Consideration of Risk**

5.1 Risks posed to the Council following a success BID re-ballot are established as minimal, as demonstrated during the past seventeen years of a city centre BID being in operation. The risk of the BID not being successful at ballot is that the City will lose circa £1.14 million per annum of potential financial resource which would be spent on marketing and operational projects to make the City a great place to visit and do business.

6. **Best Value Considerations**

6.1 The Regulations require that the Council must receive and consider the BID proposals when submitted to ensure they don't conflict with any adopted Council Policy. Therefore, Best Value in this regard is about enabling the re-ballot for the BID to deliver mutually beneficial services and projects, in partnerships with the Council.

7. **Background (including outcomes of consultation)**

7.1 The Nottingham BID is a democratically elected business-based organisation that currently brings in around £1.14 million per annum investment into the city. The BID works in collaboration with the Council to improve Nottingham's position as a world class city and to provide added value for Nottingham's visitors and shoppers. It provides further strong and committed business investment by almost 750 retail and leisure businesses in the city centre.

7.2 In voting for the BID, eligible businesses elect to impose a mandatory levy that will be used to invest back into the city centre retail and leisure environment. Collection levy rates during the BID's first and second term have been high – around 99% - and therefore, the BID will have a reliable level of income that is sustained throughout its next five-year term. The current BID five-year term ends in December 2025. The BID is now going back to a re-ballot for a further term, thus creating a sustainable core funding stream through an extension to the levy and other sources of income it will attract.

7.3 A BID is a business led organisation involved in the delivery of services that bring direct benefit to the commercial or trading environment within the boundary of a defined BID area. It is financed by the eligible businesses within the BID area by an annual levy payable to the BID that is linked to the rateable value of the property occupied by the business. The BID company comes into operation following a ballot of eligible businesses and when the outcome of the ballot secures a majority. The balloting process is conducted under two separate count procedures, therefore there

is a need to secure a straight majority and then by majority of rateable value.

- 7.4 The Nottingham BID offers significant opportunity for inclusive business involvement and full engagement for the Council at both strategic and operational (project and service delivery) levels. Risks posed to the Council in the event that the BID is renewed are minimal, as demonstrated during the past fifteen years. The risk of the BID not being renewed is that the city centre will lose around £1.14 million per annum of potential additional income which would be spent on marketing and operational projects to make the city centre a great place to shop, visit, live and do business.
- 7.5 The first BID, Nottingham Leisure Partnership, came into being in 2007. The Leisure BID included around 260 licensed premises in the city centre and focused on delivering services to improve the evening economy. The Retail BID was created in 2010 and covered over 700 retail premises in the city centre, with the aim of improving the city's retail performance and shoppers' experience. When the Leisure BID was due for renewal in 2012, it was decided to combine the Leisure and Retail BIDs into a single Nottingham BID, covering both sectors, to provide a clearer message to city centre businesses and strengthen and improve the performance of the retail and leisure sectors. The BID's 2020 vision was: "To transform Nottingham into a regional and national city of choice for shopping, leisure, work and study".
- 7.6 The BID Company is the established representative body for retail and leisure businesses in the city centre. The Nottingham BID is a legally constituted not for profit Company, governed by a BID Board, the Council currently sits as an observer. The Council is a key partner in the BID, in line with statutory regulations and as a levy payer. The BID Board takes responsibility for the renewal process.

8. Commissioner comments

- 8.1 The Commissioners are content with the report

9. Finance colleague comments (including implications and value for money)

- 9.1 Regulations in respect of BIDs state that the cost of administration, collection and recovery of the BID levy may be charged to the BID Company, although this is not mandatory. The Council currently charges the Nottingham BID approximately £43,000 for its levy collection services. The cost for the next BID term may change if the number of hereditaments increases, as this will increase the collection work needed. It is not yet possible to quantify this cost until the Council is in receipt of the renewal proposal.
- 9.2 The Council is liable for business rates on properties that fall within the defined geographical area and business sectors identified within the BID proposals. A BID levy will be payable on these properties at 1.25% in Year 1, with an annual increase of around 3%, in line with the BID levy inflation rules, to around 1.41% in Year 5. The Council is currently liable to pay the BID levy on 730 properties: - a total of £1.145m in 2025. This is chargeable to the Communities and Development budgets. In addition, there may be future liabilities where the Council, as a landlord, may be responsible for empty rates when retail properties become vacant. This is unquantifiable but is unlikely to be significant.
- 9.3 The BID regulations state that all expenditure relating to the ballot must be paid by the relevant billing authority for the BID area. The Council is therefore liable to pay the cost of administering the ballot, which will be coordinated by the Electoral Reform

Society in consultation with the Council. The cost – which is estimated to be around £10,000 - will be entirely funded by the BID organization. If the voter turnout at the ballot is less than 20%, the Council is permitted to recover the ballot costs from the BID according to the regulations.

Advice provided by Paul Rogers, Commercial Finance Business Partner (G&CD) on 12 February 2025.

10. **Legal colleague comments**

- 10.1 The steps taken to date to progress the renewal of the Nottingham BID have been in compliance with the Regulations, and the future steps described in the Report also appear to be in compliance with the Regulations.
- 10.2 The recommendations set out in the Report appear to be in compliance with the Council's Constitution and will allow the Council as relevant billing authority to comply with its requirements to instruct the ballot holder to hold a BID ballot, subject to the BID Company first complying with the requirements of Regulations 4 (1) and 4 (2) of the Regulations.
- 10.3 The Council is also required to consider whether it is of the view that the BID renewal proposals conflict with a policy formally adopted by the Council, and if so to notify the BID Company of this as soon as reasonably practicable after receiving the renewal BID proposals, and this is provided for in the recommendations.
- 10.4 The BID Company is required to provide the Council with such information as it shall reasonably require to satisfy itself that the BID Company has sufficient funds to meet the costs of the BID ballot, should it be required to do so under Regulation 10 of the Regulations. It is understood that the BID Company has confirmed that it will cover the cost to the Council of the BID ballot whether or not the renewal BID proposals are approved at ballot.
- 10.5 As the Council would be an eligible levy payer in the event that the renewal proposals are approved at ballot the Council is entitled to vote in the ballot. The recommendations would delegate authority to the Portfolio Holder for Skills, Growth and Economic Development to hold the proxy vote on behalf of the Council as an eligible levy payer in the BID ballot.
- 10.6 As set out in the Report, in the event that the renewal BID proposals are approved at ballot the Regulations give the Council a power of veto in specified circumstances, should this be required and this is provided for in the recommendations.
- 10.7 As set out in the Report, in the event that the renewal BID proposals are approved at ballot, and subject to any veto, the recommendations also provide for the Council to enter into an Operating Agreement with the BID Company which will set out the arrangements for collection of the levy due on behalf of the BID.

Advice provided by Tamazin Wilson, Senior Solicitor, 5 February 2025.

11. **Other relevant comments**

- 11.1 None

12. **Crime and Disorder Implications (If Applicable)**

12.1 The BID Company run a range of initiatives that have the purpose of reducing the impact of city centre crime as part of their accredited Business Crime Reduction Partnership (BCRP). Their initiatives include the Safe Space Pledge is a city-wide initiative dedicated to improving safety within Nottingham's night-time and day-time economy. They operate a radio system to support the city centres pub watch and shop watch scheme. The BID coordinates the Best Bar None which currently as 105 venues that include small bars, hotels, and restaurants, who have earned accreditation, making Nottingham's Best Bar None scheme the largest in the UK.

The BID Company also coordinates the partnership approach to successfully achieving the Purple Flag Award for the city centre.

13. Social value considerations (If Applicable)

13.1 Not applicable

14. Regard to the NHS Constitution (If Applicable)

14.1 Not applicable

15. Equality Impact Assessment (EIA)

15.1 Has the equality impact of the proposals in this report been assessed?

No
An EIA is not required because an EIA will be undertaken alongside the delegated decision proposed in this report

Yes

16. Data Protection Impact Assessment (DPIA)

16.1 Has the data protection impact of the proposals in this report been assessed?

No
A DPIA is not required because this will be assessed when the BID Company Business Plan proposal is received and considered.

Yes

17. Carbon Impact Assessment (CIA)

17.1 Has the carbon impact of the proposals in this report been assessed?

No
A CIA is not required because this will be assessed when the BID Company Business Plan proposal is received and considered.

Yes

18. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

18.1 None

19. Published documents referred to in this report

19.1 Local Government Act 2003

19.2 The Business Improvement Districts (England) Regulations 2004.

19.3 Strategic Council Plan 2024 – 2027 Refresh

19.4 Nottingham's Economic Plan for Growth 2024 - 2030

Councillor Ethan Radford

Executive Member for Skills, Growth and Economic Development