



To: The Leader of the Council  
Report by: Antoinette Jackson - Chief Executive  
Relevant scrutiny committee: Strategy and Resources Scrutiny Committee 3 Oct 2012  
Wards affected: Market Ward

**CBbid- Business Improvement District Project**  
Key Decision

**1: Executive summary**

1.1: This report follows the report, which went to S & R on 9<sup>th</sup> July on the CBbid project. It sets out the detail of the proposal to introduce a Business Improvement District in Cambridge and the matters for consideration by the council to inform its decision on how it will cast its votes in the BID ballot in October 2012.

**2: Recommendations:**

2.1: That the Leader confirms that the BID proposal is compliant with the BID regulations.

2.2: That the Leader should vote “Yes” on behalf of the Council in the BID ballot.

2.3: That the leader confirms that there is no material conflict with council policies in the BID proposal and therefore there are no grounds to veto the BID on this basis.

2.4: That the Leader determines after the ballot, whether there are other grounds on which to exercise the Council's veto, following consultation with the Chair and Spokespersons for Strategy and Resources Scrutiny Committee, with a report of the decision submitted to the next Scrutiny Committee meeting.

2.5: That the Council’s MTS as reported to full Council on 25<sup>th</sup> October is amended to reflect the financial implications as set out in this report.

### **3: Background to the CBbid project**

3.1: Cambridge has had a history of partnership working in the city centre since the mid 1990s. Initially this was Council led and then in April 2009 Cambridge City Centre Partnership was formed (operating as Love Cambridge) as an arms length public private sector partnership. This move resulted in increased investment in project activity to enhance the city centre, and strengthened considerably the links with a range of other city centre stakeholders such as the colleges and the universities. It has laid down strong foundations for genuine effective partnership working in the city centre.

3.2: In the Spring of 2011 Love Cambridge successfully secured ERDF (European Regional Development Fund) funding to give local businesses and stakeholders the opportunity to explore the potential of a Business Improvement District (BID) in Cambridge. Cambridge is one of 3 locations (Norwich and Lowestoft are the other 2) that have been involved in this ATCM (Association of Town Centre Management) led project to support BID development in the Eastern region.

3.3: The CBbid Business Improvement District project began in August 2011. The report which went to this Committee on 9<sup>th</sup> July 2012 set out in detail the background to the CBbid project in Cambridge and the various development stages it has gone through since the project started.

3.4: A key objective of the CBbid project is to deliver a sustainable model for city centre partnership working so that funding for both existing and new partnership initiatives that enhance the city centre can continue. If the proposed BID is supported it will result in almost £4 million of additional funding for this activity. Whilst the Love Cambridge Partnership has increased the level of private sector funding significantly since it was established in 2009, as a voluntarily funded model its position is still vulnerable. In addition as funding is only received currently from 9 organisations the model is not equitable.

### **4: Executive summary of the BID proposal to cover all key headings within this**

4.1: The BID proposal has been developed following detailed consultation with the organisations that would potentially contribute to a BID. It began in August 2011 and the proposal was published on 10<sup>th</sup> September 2012. The proposed activity of the BID falls into 4 key areas as set out below (a copy of the full proposal is set out in Appendix 1). A list of questions that have been raised on the CBbid Business Proposal since it has been published has been attached as Appendix 2.

**4.2: Pride and promotion-** *“encouraging people to make Cambridge their destination of first choice”* Projects include a Cambridge App, website, Cambridge city gift card, and ongoing marketing and promotions. In addition the BID would deliver the Christmas Lights event and work to support, strengthen and develop existing key cultural events.

**4.3: Welcoming and vibrant** – *“Delivering a coordinated and effective approach to ensure Cambridge offers customers a well managed welcoming and vibrant street scene”* Projects include City Ambassadors, Christmas Lights (To install and maintain existing Christmas lights and to drive upgrades and expansion) and pop up shops to fill vacant units.

**4.4: Safe and Clean-** to support and further develop the good work already delivered by CAMBAC ( Cambridge Business Against Crime) and to introduce a Rapid Response Team to provide extra cleaning over and above that delivered by the City Council.

**4.5: Business Support** – providing the opportunity for businesses to collaborate on some of their purchasing activity and save money, skills training, footfall monitoring and city centre user feedback, and regular networking.

4.6: In addition to the themes above, if successful, the BID proposal sets out the following 5 pledges, which would underpin its activity:

- To support, strengthen and develop the good work of all those working to enhance Cambridge city centre.
- To ensure that the BID works tirelessly to promote and support the diversity of the city centre offer.
- To secure additional income through sponsorship, grants and other sources to provide further funding to deliver more projects.
- To develop projects that will help to reduce CO2 omissions, address city centre traffic congestion and support a green and sustainable city centre.
- To provide skills, support and expertise to businesses outside of the BID area where possible, including advice and guidance to any Cambridge business cluster wanting to develop a BID.

4.7: BIDS are about local solutions to local problems and therefore bespoke to each location. The projects set out in the business proposal for Cambridge have been developed through detailed consultation with the organisations that would potentially contribute to a BID. They represent projects which these organisations feel would make a tangible difference to improving the city centre for all that use it, and which they might be prepared to fund through the BID mechanism.

4.8: No powers would be transferred to the BID. The BID will have no powers to control activity in the public realm. These powers remain firmly with the local authorities and other public agencies.

## **5: The Timeline for the BID ballot**

5.1: The BID ballot will commence on October 4<sup>th</sup> 2012 and will comprise of a 28 day ballot.

5.2: Every eligible rateable property will have received a letter of notification to ballot in September and their voting slips will follow shortly after. The ballot closes at 5pm on 31<sup>st</sup> October and the result will be announced on Thursday 1<sup>st</sup> November.

## **6: What will be the future of Love Cambridge if a BID is supported**

6.1: A BID in Cambridge city centre would only be one part of the solution to delivering effective partnership working in place management across the city. It will be important for the BID to be linked with, and to support other organisations involved in this activity e.g. Visit Cambridge, CAMBAC, Mill Road groups and other areas peripheral to the centre. This could be the emerging more strategic role for the current Cambridge City Centre Partnership (Love Cambridge). How this might work in practice will be a subject of discussion for the Love Cambridge Board if a BID is supported.

## **7: How the BID links with the council's corporate objectives and the benefits to the City Council**

7.1: The extent to which the objectives set out in the BID proposal document support or conflict with the Council's vision statement have been assessed.

7.2: The BID appears to align very strongly with the Council's vision of Cambridge as "*a city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery.*" The central purpose of the BID (particularly as set out in the "Pride and

Promotion”, “Welcoming and vibrant” and “Business support” themes) appear to be to create a city centre environment that is more attractive to residents, visitors and employees, with direct economic benefits anticipated as well as a cleaner and safer environment for residents. This would appear to be entirely consistent with the Council’s policies.

7.3: There are also elements of the BID proposal that would appear to fit with the vision statements around:

- *“a city where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all”* (particularly the BID proposal’s “Safe and Clean” theme);
- *“a city which draws inspiration from its iconic historic city centre and achieve a sense of place in all of its parts with generous urban open spaces and well-designed buildings”* (to the extent that the BID proposal will provide additional investment in enhancing the historic city centre); and
- *“a city in the forefront of low carbon living and minimizing its impact on the environment from waste and pollution”* (most clearly through the “Safe and clean” theme, but also in the pledge on page 5 of the BID proposal to “develop projects that will help to reduce CO<sub>2</sub> emissions, address city centre congestion and support a green and sustainable city centre.”

7.4: The Council also has a business interest in some of the proposals. For example two of the council properties that pay business rates are the Corn Exchange and the Guildhall. The Tourist Information Centre and the Corn Exchange will benefit in particular from several of the projects in the Pride and Promotion, Safe and Clean and Welcoming and Vibrant areas.

7.5: It has been suggested that the BID proposal does not sit easily with the vision statement of “a city whose residents feel they can influence public decision making and are equally keen to pursue individual and community initiatives.” However by these standards the BID is predominantly an individual/community initiative and individual/community initiatives are by definition subject to those deciding them rather than the public as a whole. The council has however sought to encourage public input to its own voting decision in the ballot, as described in the section on consultation below.

7.6: The BID proposal sets out a number of other benefits that would appear to align with the Council’s objectives, such as:

- ensuring that the city centre partnership function can be sustained with greater levels and certainty of resources, and without the city council having to find additional resources of its own to deliver the intended benefits;

- establishing a stronger partnership with the business community and other city centre stakeholders;
- the potential to support other business partnerships and potential BIDs in other parts of the city in the future;
- Improved city council internal co-ordination (by providing a focus on supporting and managing economic growth and the city centre environment).

7.7: The BID appears to align with criterion (a) and (d) of the City Council's criteria for partnership working, as set out in the Council's "Principles of Partnership Working", i.e.:

*"The City Council will only work in partnership with other organisations when 1 or more of the following criteria are met:*

- a) It helps us achieve our Vision Statements*
- b) It helps deliver the Sustainable Community Strategy*
- c) We have a legal duty to do so*
- d) It can help us lever in additional funding*
- e) It saves us money*
- f) It reduces risk (e.g. to the Council's reputation)"*

7.8: If the BID ballot is successful, the Council will work hard to ensure that the BID works within the spirit of the City Council's principles of partnership working, including the governance, accountability and openness and accessibility principles, as far as possible within the constraints of the legislation, and in the context of a public-private partnership.

7.9: The City Council's Code of Best Practice on Consultation and Community Engagement sets out the Council's purpose and guiding principles for how the council will undertake consultation and community engagement. It also explains the circumstances in which the Council may take a different approach. As set out in the section on consultation below, the BID consultation process is defined to a large extent by the regulations, and has been very much targeted on those who would be most affected (in this case the business rate payers in the proposed area), as per the Code of Best Practice.

7.10: The BID task force has undertaken full consultation particularly with those businesses most likely to be directly affected.

7.11: As set out in Section 8.12 below, the legislation states that a BID may be vetoed by the local authority in certain circumstances including where:

*"the relevant billing authority is of the opinion the BID arrangements are likely–*

*(a) to conflict to a material extent with any policy formally adopted by and contained in a document published by the authority (whether or not the authority is under a statutory duty to prepare such document)*

7.12: It is the officers' view that the BID arrangements are not likely to conflict to a material extent with the Council's policies.

## 8: Legal issues

8.1: **Is the proposal compliant with the BID regulations?** If the proposers of a BID wish to proceed to a ballot, they must submit notice in writing to the Council asking it to hold a ballot on the BID proposal.

8.2: The notice must be accompanied by the following:

- Copy of the BID proposal.
- Summary of the consultation undertaken.
- Summary of the proposed business plan.
- Summary of the financial management arrangements for the BID body.

8.3: The proposers must also supply the Council with any information that it reasonably requires to satisfy itself that the proposers have enough funds to meet the costs of the ballot.

8.4: Provided these requirements are met, and provided that the proposal does not conflict materially with a formal policy document published by the Council, the ballot will proceed.

8.5: The proposal must contain details of:

- The works or services to be provided, and the body intended to provide them.
- The existing services provided by the billing authority.
- The area in which the proposed BID arrangements are to have effect.
- Which non-domestic ratepayers will pay the BID levy.
- How the BID levy is to be calculated.
- Whether any of the costs incurred in developing the BID proposal, holding the ballot or implementing the BID are to be recovered through the BID levy.
- The class of non-domestic ratepayer (if any) for which any relief from the BID levy is to apply.
- Whether, which, and how BID arrangements may be altered without an alteration ballot.

- The duration of the BID arrangements, which must not exceed five years.
- The commencement date of the BID arrangements.

8.6: The Head of Legal Services has examined the BID proposal against the statutory requirements and advises that the BID proposal is compliant.

### **8.7: How does the Council cast its vote?**

The City Council is a non-domestic ratepayer in respect of a number of properties within the BID area. It is entitled to one vote for each non-domestic property it occupies, and one vote for each vacant non-domestic property it owns (if any). The number of votes that the City Council may cast is 13.

8.8: The decision on how to cast its votes falls to the Council's Executive. As the considerations relevant to this decision falls across a number of portfolios, the Leader will exercise this vote.

8.9: The votes will be cast through a secret postal ballot. However, this does not prevent the Council stating how it intends to vote, or how it has voted.

8.10: Responsibility for conducting the ballot rests with the Chief Executive. Regulations provide that the ballot holder is the returning officer for elections to the billing authority; i.e the City Council. The ballot will be conducted on behalf of the Chief Executive by the Electoral Reform Society.

### **8.11: Can the Council veto a ballot supporting the establishment of a BID?**

The Council has a veto in limited circumstances.

8.12: The Council may veto a BID proposal where it is of the opinion that the BID arrangements are likely to:

- Conflict to a material extent with any policy formally adopted by and contained in a document published by the local authority; or
- Place a significantly disproportionate financial burden on any person or class of persons (as compared to the other non-domestic ratepayers in the BID area) and;
  - that burden is caused by the manipulation of the BID area or by the structure of the BID levy; and



- that burden is inequitable.

8.13: When deciding whether or not to exercise their veto, the billing authority shall have regard to the:

- Level of support for the BID proposal.
- Nature and extent of the conflict with policy.
- Structure and distribution of the BID levy.
- Extent to which the proposers discussed the BID proposal with the billing authority before submitting it.
- Cost incurred by any person up to 14 days before the ballot in developing the BID proposal and canvassing.

8.14: Deciding on whether to exercise a veto is, again, an executive function. The officers recommend that the Leader makes this decision following consultation with the Chair and Spokespersons for Strategy and Resources Scrutiny Committee, with a report of the decision submitted to the next Scrutiny Committee meeting. A veto may only be exercised within 14 days of the close of the ballot.

8.15: The BID proposers are entitled to appeal to the Secretary of State against the exercise of a veto.

## **9: Implications**

### **9.1: Financial Implications**

If there is a “Yes” vote, then the liability for a levy (equivalent to 1% of rateable value) would commence from 1 January 2013, and last for a period of 5 years. This is estimated to result in around £750,000 of investment for the BID area annually.

9.2: As a property owner in the BID area the Council would be liable to pay the levy on its properties (currently projected to be £42,660 – about 6% of the total levy).

9.3: The Medium Term Strategy (MTS) treated the financial implications of the BID proposal as an ‘uncertainty’, as the Council had not at that time even concluded that the BID proposal was compliant with the BID Regulations. This report confirms that that is the case.

9.4: If there is a “Yes” vote then the Council will become liable to pay the levy from 1 January 2013. As the normal cycle of meetings does not allow amendment to the budget through the next cycle, it is recommended that the version of the MTS to be submitted for consideration at Council is amended to include provision for payment of the BID levy for a 5-year period. After the initial; 5 years a new proposal would have to be submitted and voted on for the BID to continue.

9.5: The BID taskforce will also need to be able to fund their initial set-up and running costs through to the point where the first year’s levy income is received. They have requested that the Council agree to pay its first year levy early (1 November 2012 rather than the due date of 1 January 2013) in order to facilitate the effective start-up of the BID. This has been the practice in the creation of other BIDs across the country.

9.6: This would involve a degree of risk to the Council, but at a point where a “Yes” vote has been achieved this would be relatively small. It is, therefore, recommended that the Council agree to make the first levy payment on 1 November 2012.

#### **9.7: Implications for a “No” vote**

If a BID is not supported it is unlikely that the current model of City centre partnership working (Love Cambridge) will be able to continue. This is because Love Cambridge is voluntarily funded and currently only 9 organisations are contributing, whilst the benefits of its project delivery are felt across the city centre. Several of the current funders have indicated that they would not be prepared to continue funding a model which is not equitable. It is therefore unlikely that this model would be sustainable.

9.8: This could lead to budget pressures for the Council in responding to the gap that would be left by the Love Cambridge project activity ceasing (around £130K pa).

#### **9.9: Staffing implications**

There are currently 2 PTE members of City Council staff who are seconded to the Love Cambridge Partnership. If businesses/stakeholders vote in favour of the BID the role of Love Cambridge Partnership will change. In this event any implications for these members of staff will be handled in line with the City Council’s organisational change policy. If a BID were to be supported it is likely that there will be opportunities within the new BID company, which would be open to them. There may also be TUPE implications that will need to be considered carefully.

9.10: The financial implications of any redundancies for the 2 PTE council staff currently seconded to Love Cambridge, should the BID not be supported, would be in the region of £10K.

### **9.11: Equal opportunities implications**

An Equalities Impact Assessment has been undertaken on the CBbid proposal and is available to view on the Council's website at the following link (<http://www.cambridge.gov.uk/ccm/content/council-and-democracy/how-the-council-works/council-policies-and-plans/equality-and-diversity/equality-impact-assessments.en>).

### **9.12: Environmental Implications**

The BID proposal would have a positive impact on the city centre environment through activities delivered through the "Safe and clean" theme. In addition through the pledge on page 5 to "develop projects that will help to reduce CO<sub>2</sub> emissions, address city centre congestion and support a green and sustainable city centre."

### **9.13: Procurement implications**

There are no direct procurement implications for the City Council in the CBbid proposal.

### **9.14: Consultation and Communication**

The BID legislation sets out the requirements for consultation and the process the development of a BID should follow. The consultation undertaken by the BID task force with businesses began in August 2011 and is summarised on page 9 of the Business proposal.

9.15: A BID is a business led partnership where businesses will be the principal contributors. The City Council is a partner by virtue of its physical presence operating in the city centre, and will also have a seat on the BID Board if the BID is successful. Formal consultation is not undertaken with residents as essentially whether to support a BID is a decision about the city centre organisations' willingness to accept the levy system, which they alone would be paying. In addition there are no proposed changes to any council policies as a result of the BID.

9.16: However the Council has encouraged the BID Task Force to provide an opportunity for residents to find out and comment on what is being proposed. This has been done through a public meeting that was held on Thursday 20<sup>th</sup> September at the Double Tree Hilton Hotel. All residents associations in Cambridge received a written invitation from the BID task force to this meeting and it received prior publicity in the Cambridge News.

9.17: Contributions from the public can also be made at the Strategy and Resources Scrutiny meeting on 3<sup>rd</sup> October at 5pm.

## 9.18: **Community Safety**

A key theme of the BID proposal is “ Safe and clean” and a successful BID would provide considerable extra resource to working in partnership with the public agencies to improve community safety. The detail of this is set out in the Business Proposal.

## 10: **Conclusion**

10.1: A BID represents the establishment of a genuine partnership with the private sector and other key city centre stakeholders, which will deliver a long-term sustainable model for city centre partnership working and almost £4 million of additional investment in improving the city centre. This partnership would play a key role in supporting the economic development of the city and will effectively connect the City Council with 750 businesses and key stakeholders such as the universities and colleges.

10.2: A BID is consistent with the council’s objective of working in partnership to help it achieve its objectives. A BID would, in the future be key to supporting the development of other business partnerships/BIDS in other parts of the city where areas were interested in exploring this.

10.3: A successful BID ballot would represent the culmination of a long-term strategy which first began in the mid 1990s. Its aim has been to develop a sustainable mechanism to allow the public and private sectors to work together effectively to ensure the ongoing vitality of Cambridge city centre.

## 11: **Background papers**

[Council’s vision statement:](#)

[Council’s Code of Best Practice on Consultation & Community Engagement:](#)  
[City Council’s Principles of Partnership Working](#)

## 12: **Appendices**

- 1.CBbid Business Proposal
2. CBbid - Questions and Answers

## 13: **Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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