



To: Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and Transformation

Report by: Daniel Ritchie, Development Manager, City Centre Management, Markets & Street Trading

Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 3/7/2017

Wards affected: Market, Petersfield, Trumpington

**CAMBRIDGE BUSINESS IMPROVEMENT DISTRICT SECOND TERM BALLOT**  
**Not a Key Decision**

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**1. Executive summary**

Cambridge Business Improvement District (BID) initial five year term concludes on 31<sup>st</sup> March, 2018. Cambridge BID intends to seek a second five year term, by way of a ballot of businesses within the geographical area it proposes to cover, in the autumn of 2017. The second term would run from 1<sup>st</sup> April, 2018, to 31<sup>st</sup> March, 2023. The City Council is a non-domestic ratepayer in respect of a number of properties within the BID area and, as such, will be entitled to a number of votes in relation to these properties. The decision on how to cast its votes falls to the Council's Executive. The Leader exercised the Council's voting entitlement at the BID's initial term ballot in 2012, reflecting that the BID activity impacts across several Executive Councillor portfolios.

**2. Recommendations**

The Executive Councillor is recommended:

To exercise the City Council's voting entitlement in the forthcoming Cambridge BID second term ballot.

To support, in principle, Cambridge BID in the second term ballot, in view of their performance in the successful delivery of services against the term one proposal; and the value for money Cambridge BID provides the City Council, balancing our levy contribution against expenditure the Council might otherwise be expected to commit to.

### **3. Background**

3.1 Cambridge BID has completed feasibility and planning exercises as it prepares for a second term ballot to support continued delivery of BID activity over the period 1<sup>st</sup> April, 2018, to 31<sup>st</sup> March, 2023. The intention is for the ballot to be held between 6<sup>th</sup> October and 2<sup>nd</sup> November 2017 with the result of the ballot to be announced on 3<sup>rd</sup> November, 2017. The BID proposal for its second term will be published by 31<sup>st</sup> August, 2017 and the BID business plan will be published by 21<sup>st</sup> September, 2017. In order for this timescale to be met, and in line with the schedules of the BID legislation, the City Council, as Ballot Holder, needs to notify the Secretary of State of its intention to hold a second term ballot by 11<sup>th</sup> July, 2017. Based on this timetable, the ballot will have been open for voting before the next Strategy & Resources (S&R) Scrutiny Committee on 9<sup>th</sup> October 2017, hence why this report and its recommendations are being presented to the July S&R Committee for approval.

3.2 To support the second term ballot planning, the Cambridge BID Board established a BID second term task force in December, 2016. This group is made up of individuals from businesses and other stakeholders representing different sectors of the BID area, including the City Council, and reporting to the BID Board. The City Council is represented on the BID Board by the Executive Councillor for Environment Services and City Centre. In autumn, 2016, the BID Board commissioned consultants, Central Management Solutions Limited, to support the task force and ensure second term ballot is compliant with the legislative schedules and demonstrates best practice.

3.3 Destination management in Cambridge has developed in distinct stages over the past 8 years. In 2009, the initial stage saw the establishment of Cambridge City Centre Partnership Ltd (Love Cambridge), which then evolved into the Cambridge BID, in 2013, following the success of the initial BID ballot in 2012.

3.4 In February, 2016, Visit Cambridge and Beyond was established, with the support of the City Council, as the new Destination Management Organisation responsible for delivering tourism services in Cambridge and the surrounding area. Since its launch, Cambridge BID has worked very closely with Visit Cambridge to minimise duplication of activity and to identify opportunities for collaboration.

3.5 Term two of Cambridge BID presents some real opportunities to build on this collaborative work, further ensuring that the strategies and activity of both organisations are closely aligned, that delivery is complimentary and that any economies of scale are realised. In practical terms this commitment to collaboration is supported through cross representation on both the

Cambridge BID and Visit Cambridge Boards with four Directors. Both organisations are committed to exploring opportunities for closer working with other organisations such as Cambridge Live, Meet Cambridge, Cambridge Network and Cambridge Ahead.

3.6 Cambridge BID intends, in its second term, to include the railway station area as a key gateway to the city. It will continue to provide a strong voice for business in its workings with the City Council, City Deal and other statutory bodies. It will build on existing collaborative work with the City Council, as evidenced by the recent night market and pop-up cinema in Market Square, to further enhance public spaces across the city for all residents, visitors and businesses. The BID is not in a position to be able to disclose any specific firm proposals, until the publication of its second five year term business plan on 21<sup>st</sup> September, 2017.

3.7 A summary of Cambridge BID's achievements, from its initial five year term, is included in appendix A. Cambridge BID's 2016/7 annual report to be presented at their AGM on 20<sup>th</sup> June, 2017, is included in Appendix B

3.8 As indicated in 3.1, the BID proposal and business plan are not yet finalised. However, by the end of March 2018 Cambridge BID will have invested more than £3.5 million in projects and initiatives specifically designed to promote economic growth in the city centre. It is unlikely that without this mandatory funding model this level of investment would have been achieved. Furthermore without Cambridge BID, it is certain that the burden for delivery of projects and initiatives designed to promote the city centre, would have had a greater impact on the resources of the City Council.

Cambridge BID is responsible for many projects that were previously delivered by the City Council or Love Cambridge, as well new initiatives. For example, Cambridge BID is wholly responsible for the delivery of the Christmas Lights project which historically was covered by the local authority and voluntary contributions from city businesses and stakeholders. The BID also supports the employment of Taxi Marshalls and Street Pastors every payday and other high risk weekends ensuring Cambridge residents and visitors are kept safe on their night out.

Cambridge BID represents a business community that would otherwise be challenged to organise its collective interests and, working with stakeholders within the city such as the Universities, Colleges and the City Council, are able to develop and launch initiatives that focus on creating a welcoming, dynamic and safe city centre that is attractive to all.

Cambridge BID provides a performance report that combines footfall information, car park data, Park & Ride passenger figures and stats collated

by ambassadors. This report is shared with many City Council departments to inform their objectives.

#### **4. Implications**

##### **(a) Financial Implications**

4.1 It is incumbent on the City Council to cover the costs of holding the second term ballot. Electoral Reform Services has been engaged, on behalf of the City Council, to provide all relevant notifications, ballot papers, voting documentation and storage in line with the schedules of the BID legislation. The cost to the Council of holding the ballot is likely to be less than £4,000 and will be found from within the existing budget.

4.2 Cambridge BID final consultation document (Appendix C) indicates that the proposal for the second term would maintain the levy at 1%; increase the threshold from £20,000 to £30,000<sup>1</sup> but also introduce an inflation link to levy contributions. Assuming the City Council's properties retain the same ratings assessment and an inflation rate of 2% over the next five years the levy burden would be;

	Levy Contribution
2018/19	£43,562
2019/20	£44,433
2020/21	£45,322
2021/22	£46,228
2022/23	£47,153
5 year overall	£226,698 <sup>2</sup>

##### **(b) Staffing Implications**

There is one member of City Council staff working on secondment for Cambridge BID. The implications of an unsuccessful second term ballot will be managed in accordance with the Council's Organisational Change Policy.

##### **(c) Equality and Poverty Implications**

There are no equality and poverty implications, arising from the second term ballot.

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<sup>1</sup> If a business within the BID area pays £20,000 or more in business rates they are legally obliged to pay a 1% levy to Cambridge BID. The proposal for the second term is that this figure increases to £30,000 meaning that all businesses that pay less than this will avoid the levy.

<sup>2</sup> This figure assumes a 5 year BID levy liability of Park Street car park. Given the advanced plans for its redevelopment, this is unlikely to be the case as it will be deleted from the Ratings List, meaning a reduced overall liability on the City Council.

**(d) Environmental Implications**

There are no equality and poverty implications arising from the second term ballot.

**(e) Procurement**

There are no procurement implications arising from the second term ballot.

**(f) 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 earnest in January 2017. Appendix C details the outcomes of the consultations with businesses.

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. 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 second term ballot being successful.

**(g) Community Safety**

There are no community safety implications arising from the second term ballot

**5. Background papers**

None

**6. Appendices**

Appendix A: Summary of Cambridge BID's achievements, from its initial five year term.

Appendix B: The Cambridge BID 2016/7 report to its Annual General Meeting on 20<sup>th</sup> June 2017.

Appendix C: Cambridge BID final consultation document

**7. Inspection of papers**

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

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