

Crawley Borough Council

Report to Cabinet 5 October 2022

Proposed Manor Royal Business Improvement District (BID) Renewal (“BID 3”)

Report of the Head of Economy and Planning **PES/421**

1. Purpose of the Report

- 1.1 Manor Royal Business Improvement District is nearing the end of its five-year term (March 2023) and wishes to seek renewal for a further five years commencing 1st April 2023. This report sets out the background to the BID, the renewal process, financial implications and recommends that the Cabinet support the continuation of the BID for a further 5 Year term (2023-2028).

2. Recommendations

The Cabinet is recommended to:

- a) Agree that the Council continues to perform the role of billing authority for a further five years, collecting the BID levy on behalf of the Manor Royal BID, subject to the BID securing renewal.
- b) Agree and request that the Chief Executive as Returning Officer and Ballot holder should hold a Ballot for the Manor Royal BID Renewal proposal.
- c) Agree that the Head of Governance, People and Performance be authorised to complete the necessary legal agreements required for the BID levy operation together with any other necessary documents for the proposed BID renewal.
- d) Agree the proposal from the Manor Royal BID to support the renewal of the BID (BID 3) for a further five-year term.
- e) Request the Leader of the Council to cast the vote (for the Council’s own rated properties in the Manor Royal BID area) in accordance with the Cabinet decision for 2.1d) during the period of Ballot (see section 7).

3. Reasons for the Recommendations

- 3.1 Since the outcome of the Ballot for the Manor Royal BID’s second term permitted a maximum five-year BID period to 31 March 2023, a renewal Ballot for a third term is therefore required amongst Manor Royal levy payers to determine whether the majority wish for the Manor Royal BID to continue for a further five years. Cabinet is therefore being asked to agree the Manor Royal BID’s renewal proposal.
- 3.2 The Borough Council also needs to determine whether it wishes to continue to undertake the role of billing authority, collecting the BID levy on behalf of the BID, subject to legal agreement.
- 3.3 The BID Regulations require the Council as “billing authority” to instruct the “Ballot Holder” to hold the renewal ballot. The Ballot Holder is “the person the relevant billing authority has appointed under section 35 of the Representation of the People

Act 1983 (a) as the Returning Officer for elections to that authority” – i.e., the Chief Executive.

- 3.4 Given the Council owns three rateable property hereditaments in the Manor Royal BID area (see Section 6.8), it will be required to pay a BID levy should the BID be renewed for a third term. This entitles the Council to vote during the period of the BID Ballot as a levy payer.
- 3.5 The Council is required to ensure that the process associated with BID renewal and the operation of the Manor Royal BID during a third term (subject to a “YES” vote) is undertaken in accordance with the Business Improvement Districts (England) Regulations 2004.

4. Background

- 4.1 The Manor Royal Business District is hugely important not only to Crawley’s business and employment base, but to West Sussex as a whole, the Gatwick Diamond and the broader economic sub-region. Alongside Gatwick Airport, it is the key reason why Crawley has the second highest job density in the country outside central London, contributing approximately 25% of the County’s economic output with its own unique economic centre of gravity in the South-East.
- 4.2 A BID is a legal body which can come into being following a successful Ballot in which all eligible businesses have a vote on proposals to establish the “Business Improvement District”.
- 4.3 A Business Improvement District (BID) is a precisely defined geographical area where the businesses with premises in that area vote to invest collectively in local improvements to enhance their trading environment (Appendix A). The businesses pay a levy, which for Manor Royal “BID 3” (2023-2028) is proposed to be equivalent to 1.1% of the rateable value of their premises – an increase from the equivalent to 1% of the rateable value of their premises during the previous two BID terms.
- 4.4 Businesses in the BID area decide what they want the BID to do, they vote to create it and they run it by rules they agree, which must accord with the Business Improvement Districts (England) Regulations 2004. This is the legislative framework for the establishment of Business Improvements Districts (BIDs), which is contained in the Local Government Act 2003.
- 4.5 The maximum period that a BID levy can be charged is five years. Once the term is completed the BID will automatically cease unless it is renewed. There are over 350 BIDs operating in town centres / business parks / high streets across the UK.

5. Description of Issue to be resolved

- 5.1 The original campaign to establish the Manor Royal BID was launched in 2012. In February 2013, the Cabinet agreed to support the establishment of the Manor Royal Improvement District (BID), culminating in a successful BID Ballot in April 2013, where the majority of prospective Manor Royal levy payers voted in favour of its creation.
- 5.2 The Manor Royal BID originally commenced on 1 June 2013 with the establishment of the Manor Royal BID Company (MRBD Limited), a not-for-profit BID Company, limited by guarantee. It is legally and operationally responsible to the businesses in the BID area and for all BID activities. The Cabinet Member for Planning and Economic Development is a member of the Company as the Council’s representative.

- 5.3 The Council took responsibility for administering the first Manor Royal BID Ballot as “Ballot Holder” in April 2013 and since June 2013, the Council has performed the role of “Billing Authority”, collecting the BID levy from Manor Royal businesses on behalf of the BID and passing those resources on to the BID. The Council is also required to provide to the BID billing information related to non-domestic ratepayers in the BID area.
- 5.4 Cabinet agreed in January 2018 that the Council should support the renewal of the Manor Royal BID for a second term (2018-2023) and the continuation of the Council’s responsibilities as Ballot Holder and Billing Authority, subject to the BID levy payers voting to renew the MR BID for that second term.
- 5.5 In February / March 2018 the Council as Ballot Holder conducted a ballot of BID levy payers and following the end of the ballot period the Council confirmed on 2nd March 2018 that the Manor Royal BID had secured a majority of “Yes” votes from levy payers to continue the BID for a second term. The Council has therefore continued to undertake responsibilities as Billing Authority during “BID 2”.
- 5.6 This report therefore seeks approval for the Council to perform the same duties as above regarding the proposed third term “BID 3” renewal period 2023-2028.

6. Information & Analysis Supporting Recommendation

- 6.1 The Manor Royal BID has had a hugely positive impact in Manor Royal since it began operations in 2013 and – alongside Crawley Borough Council and West Sussex County Council – it has spearheaded the achievement of major improvements to the Business District.
- 6.2 The following are highlights:
- All 23 broadband cabinets upgraded for faster fibre-based broadband.
 - 2 new parks: Crawter’s Brook Peoples Park and The Terrace Pocket Park.
 - 4 new micro-parks completed and maintained with two more to come.
 - 25 security cameras installed at entry points and strategic locations monitored by Sussex Police.
 - A new security team – A dedicated “Business Ranger” team helps to keep the place safe, serving as the area’s eyes and ears.
 - Gateway 3 (Betts Way) – Entranceway upgraded to improve the sense of arrival and first impressions
 - Gateway 2 – Entrance way upgraded to include new pedestrian / cyclist crossing points and upgraded public realm.
 - Gateway 1 (Gatwick Road / Hazelwick Flyover) – The physical environment of the busiest entrance way to Manor Royal upgraded with further roundabout improvements planned.
 - Better roads - £3.5m secured to improve junctions, road surfacing and bus / pedestrian / cyclist infrastructure – part of the Crawley Growth Programme.
 - Subway Improvements – 2 Subways upgraded to provide a much more inviting entry point into the Business District for pedestrians and cyclists.
 - Over 200 new directional signs installed, including new street name / welcome signs
 - Digital Advertising – Four digital advertising screens managed / maintained for cheaper outdoor advertising by Manor Royal companies.
 - Energy – Funding secured to set up a Local Energy Company to roll out renewable energy infrastructure in Manor Royal and enable MR companies to work together to generate their own energy.

- Events – A dedicated events programme which has attracted hundreds of companies and thousands of representatives each year, including the Manor Royal “Know Your Neighbour” EXPO.
- Intensive cleaning / maintenance – A regular programme of intensive cleans and over 100 hours each week of additional dedicated ground maintenance to enhance the “look and feel” of the Business District.
- Free Jobs Board with over 1,600 job adverts posted to date.
- A further £2.5 million of external funds secured for delivery during “BID 3”.
- In a survey of Manor Royal businesses conducted last year – 83% declared very satisfied or satisfied with the BID with only 1% declaring to be dissatisfied.

6.3 The Manor Royal BID will seek to build on its strong track record to date if it secures a 3rd five-year period. Its principal delivery objectives for BID 3 will include:

Promote and Influence

- Promote Manor Royal to help attract / retain companies
- Attract new investment to fund new projects and maximise the BID levy value.
- Provide a dedicated enquiries point of contact for businesses and investors
- Maintain the on-line Manor Royal property directory.

Trade and Save

- A tailored programme of exclusive and free events
- Subsidised staff travel initiatives
- High quality subsidised training programme
- Free to use dedicated Manor Royal Jobs Board
- Monthly E-Bulletins and Quarterly Manor Royal News magazine
- Free to access business directory

Infrastructure and Facilities

- Roll out delivery of new projects including: new micro-parks, entrance way enhancements; lobby for even faster broadband; New facilities for staff to meet, rest and enjoy.

Sustain and Renew

- Collaborative energy initiatives and forums to facilitate the transition to net zero across Manor Royal
- Provide signposting, information and guidance to help Manor Royal businesses to become more sustainable
- New and enhanced greenspaces to support biodiversity and well being
- Provide advice and incentives to adopt more sustainable travel behaviours.

Manage and Maintain

- Enhanced levels of additional maintenance provided by a dedicated team
- Dedicated Manor Royal Business Ranger security service
- Free to access security radios for vulnerable retailers
- Maintenance and expansion of the security camera network (CCTV / ANPR)
- Additional winter gritting and maintenance service.

6.4 The Manor Royal BID is producing a new business plan proposal for its third five-year period which will include the above delivery priorities and which will also explain the consultation it has undertaken to date, the revenue and expenditure cash flow estimates and the predicted budget in addition to the financial management arrangements.

- 6.5 It is proposed that for the 3rd BID period, levy payments will increase from 1% to 1.1% of the rateable value of the premises businesses occupy - on all properties within the BID area with a rateable value of £12,000 per annum or more. A cap will be put in place so that no individual property attracts higher than a levy charge of more than £4,000 per annum. The levy charge will be payable annually based on the Valuation Agency's 2017 ratings list from 1st March each year.
- 6.6 It is proposed that the geographic coverage of the Manor Royal BID area for "BID3" remains the same as for "BID2" apart from small extensions to the northern boundary to take account of development referred to as "Jersey Farm" and a development site immediately north of Hydehurst Lane.
- 6.7 The Annual BID levy income for the MR BID is expected to be on average approximately £566,000 per annum over the BID 3 period 2023-2028. On average 16% of this income will be spent on BID management and operations – including the MR BID Executive team - and the remaining 84% will be spent on service and project delivery. The BID is also committing to attracting and securing £2.45m of third-party income over the BID 3 period 2023-2028.
- 6.8 The Council's rateable hereditaments within the proposed Manor Royal BID area are as follows:
- Block 2 Metcalf Way
 - Units A and C – The Depot – Metcalf Way
 - Travel House, Crawley Business Quarter, Fleming Way

7. Proposed Timetable for Manor Royal BID Renewal Process

MR BID to send BID Proposal and letter of request to Crawley BC to hold a ballot	By 3 December 2022
Finalise voter list with CBC Electoral Services	By 12 January 2023
Ballot Holder (CBC) issues notice of ballot, including the arrangements for the ballot. Final date for MR BID to publish "BID 3" Business Plan (42 days prior to ballot)	16 January 2023
Ballot Holder (CBC) posts ballot packs to prospective BID (3) levy payers (minimum 30 days prior to ballot day)	27 January 2023
First day of Ballot - the period of Ballot begins (minimum 28 days)	2 February 2023
Deadline for proxy nominations (10 days prior to ballot day)	19 February 2023
Deadline for replacement of lost ballot papers	25 February 2023
Deadline for replacement of spoilt ballot papers	26 February 2023
Day of Ballot (up to 5pm) – End of the period of Ballot	1 March 2023
Count and Declaration	2 March 2023
End of BID 2	31 March 2023
Start of BID 3 (subject to a successful ballot)	1 April 2023

8. Implications

8.1 Staffing

- The postal ballot, including the issue and collection of ballot papers, will be managed by the Council's Electoral Services Team, within existing resources.

- The collecting and administration of the levy will be managed by the Council's Corporate Finance Team and a levy collection fee will be charged to the BID.

8.2 Financial

- As Billing Authority, the Council would have the right to charge the Manor Royal BID a Levy collection charge, in recognition of the resources incurred by the authority in collecting the levy and passing it on to the Manor Royal BID. This charge is proposed at 3% of the total value of the BID levy collected, which accords with the BID regulations.
- The charge in the current financial year is £16,236. The proposed annual increases would be in line with increased fees and charges within the budget strategy.
- The 2004 Regulations require the Council to pay for the Ballot. The postal ballot process, managed through the Electoral Services Team is estimated to cost £1,000 and this will be absorbed within existing resources. The cost would only be recoverable in the event of a very low turnout of votes supporting the BID Renewal.
- In the event of a "YES" vote and in view of the rateable property hereditaments owned by the Council within the MR BID area (see section 6.8) the Council would pay over the period 2023-2028 an annual levy for each of those properties, which includes the forthcoming Crawley Innovation Centre facility at Travel House. . There are budgets set aside for these costs.

8.3 Legal

- The legislative framework under which Business Improvement Districts are established, renewed and governed is contained in Part 4 of the Local Government Act 2003. The establishment and operation of a Business Improvement District is also subject to the BID (England) Regulations 2004.
- This requires that prior to becoming operational, prospective BIDs must be subject to a Ballot of all eligible BID levy payers. A BID is legally permitted to exist if the majority of BID levy payers vote in favour. For the BID to proceed to another term, more than 50% of those who vote must vote "YES". Of those YES votes, the total rateable value must be higher, when added together, than the rateable value of those who voted "NO".
- In the event that the result of the Ballot is negative, the BID will cease to exist on 31st March 2023. If the result is a majority "Yes" vote, the BID can then only operate for a maximum of five years, before being subject to a further Ballot.
- In the event that the result of the Ballot is negative and the BID ceases to exist on 31st March 2023, then the Council would be required to take responsibility for the project management and delivery of two Crawley Towns Fund projects which the Manor Royal BID is currently responsible for: I) Manor Royal Business Environment Improvements; II) Green Business Infrastructure. The Council is already the accountable body for the Crawley Towns Fund programme. The costs to the Council of project managing these schemes would in the event be funded by the Crawley Towns Fund monies.
- The Council only has the power to veto a BID proposal if it is contrary to formally adopted and published Council policies. The Renewal proposal is in line with Council policies and priorities and therefore this report recommends formal Cabinet endorsement.
- Following a successful BID ballot in April 2013, the Manor Royal BID secured a five-year operational period, which is due to expire on 31st March 2023. To continue into a third five-year period and not automatically cease, the Manor Royal BID must be subject to a further Ballot of Manor Royal levy payers to determine whether the majority favour continuation of the BID.
- Subject to a BID renewal vote by Manor Royal BID levy payers, the billing and collection of the BID levy will be undertaken by the Borough Council's Revenues and

Benefits Team, for which a detailed Operating Agreement with the Manor Royal BID will required to be negotiated and signed off, setting out the levy criteria, any exemptions and details of collection.

- The Head of Governance, People and Performance will negotiate the BID Operating Agreement with the Manor Royal BID and therefore the confirmation of the Borough Council's role as levy collector is subject to legal agreement.

8.4 Consultation

- To help inform the case for BID renewal, the Manor Royal BID has undertaken the following consultation actions: Manor Royal BID survey (autumn 2021); Manor Royal Showcase event – May 2022; Presentations at public events including Know Your Neighbourhood Expo 2022, attended by over 100 companies. In addition, the BID has undertaken face to face meetings and interviews and has also gathered views submitted directly to the BID on a day-to-day basis.
- The Manor Royal BID is due to launch its Business Plan Prospectus 2023-2028 at the Manor Royal Matters event in November and will widely circulate copies of the Business Plan to levy payers for comment and feedback.

8.5 Equalities

- Subject to renewal, the Manor Royal BID will ensure that all project initiatives undertaken by the BID take account of equalities and access requirements.

9. Background Papers

None

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