


Record of Cabinet member decision

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Decision made by	Councillor Matthew Barber
Key decision?	Yes
Date of decision (same as date form signed)	
Name and job title of officer requesting the decision	Suzanne Malcolm Economic Development Manager
Officer contact details	Tel: 01235 547619 Email: suzanne.malcolm@southandvale.gov.uk
Decision	<p>I agree in respect of the Abingdon BID proposal:</p> <ul style="list-style-type: none"> to vote in favour of the introduction of the Abingdon BID in respect of the Vale Council owned properties in the Abingdon BID area to not charge the BID company for the collection of the BID levy, subject to a successful outcome of the vote, and, to delegate to the head of service for Economy, Leisure and Property authority, in consultation with the relevant cabinet member, to negotiate and enter into the necessary operating agreement with the BID company, and any ancillary documents, to collect the BID levy, subject to a successful outcome of the vote.
Reasons for decision	<p>On 27 August 2015, officers received letters in respect of a number of Vale Council-owned hereditaments within the proposed BID area. These letters advised that the Abingdon BID Executive Board proposes to create a BID for an area that covers some of the town centre. A copy of the BID business plan is attached as appendix one.</p> <p>Voting in the BID Referendum will be entirely by postal ballot, running throughout October 2015. The received letters advise that the named property is intended to be inside the BID area and the non-domestic rate payer will be entitled to vote. Voting papers will be issued at the beginning of October and the ballot closes at 5pm on 29 October 2015. Counting will take place on 30 October 2015 and results will be published on the same day.</p>

	<p>The BID will be approved if two independent criteria are met:</p> <ul style="list-style-type: none"> • the majority of businesses vote “yes”, and • the total rateable value of the hereditaments (properties) that vote “yes” exceeds the total rateable value of those voting against. <p>In year one the BID levy will be 1.75 per cent of a property’s rateable value and in following years the levy will increase by two per cent each year. Therefore, in year 2 it will be 1.79 per cent, in year 3 it will be 1.82 per cent, in year 4 it will be 1.86 per cent and in year 5 it will be 1.89 per cent.</p> <p>All eligible businesses with a rateable value of £3,000 or more are entitled to vote if they are listed as a non-domestic rate payer within the proposed BID boundary (businesses with a rateable value of less than £3,000 are exempt from the BID levy, in accordance with the BID scheme rules). Businesses with more than one business premises (such as the Vale Council), which would be subject to the levy, will receive a vote for each eligible premises. In the case of an empty or partly refurbished property, or where no occupation exists or where the occupier is sub-letting from the property owner and not paying business rates, then the property owner is entitled to vote.</p> <p>A cap of £5,000 is contained within the BID scheme rules. This means that businesses with large rateable values where the levy is more than £5,000 will be capped at this level. This is relevant in respect of Abbey House.</p> <p>Appendix two sets out the Vale Council-owned properties within the BID area and the respective rateable values and proposed BID levy. The Vale Council has twelve votes to take in respect of its properties within the proposed BID area.</p> <p>Whilst the introduction of a BID clearly has financial implications for the Vale Council, it is the view of officers that the creation of a BID is a beneficial development for Abingdon and will see an improvement of the economic vitality of the town. The fact that the development of the BID has been led by the local business community and that businesses will determine and deliver what projects they want for Abingdon is a positive step and demonstrates business belief in the town.</p>
<p>Alternative options rejected</p>	<p>If the Vale Council chose not to support the BID, there is a chance that the BID may not be successful and the potential step-change supported by local businesses would</p>

	not happen. It could also result in the Vale Council having to intervene and provide additional funding to the town to deliver projects.
Legal implications	Subject to a successful outcome, the Abingdon BID Executive Board will then set up a company to manage the BID and employ required staff. The new company will be required to enter into an operating agreement with the Vale Council in respect of the collection of the BID levy on their behalf, substantially in the form attached as appendix three. The head of service for Economy, Leisure and Property will, in consultation with the relevant cabinet member, negotiate and enter into the necessary operating agreement with the BID company, and any ancillary documents, to collect the BID levy, subject to a successful outcome of the vote. The proposed date for the BID to become operational is 1 April 2016.
Financial implications	<p>In the event that the ballot outcome supports the Abingdon BID proposal, the BID legislation permits the collecting authority to charge a fee for collection of the levy. Capita's costs for establishing a new system are estimated to be some £6,340 in year one and there will be an ongoing annual operational cost of £1,190. Regular updating and checking of hereditament lists is estimated to cost some £1,000 a year. All of these costs will be met from existing budgets.</p> <p>There are wide variations on charging policies across the country with approximately one third of local authorities providing the service at no charge to the BID company. To date, officers have not proposed to the Abingdon BID Executive Board that the Vale Council will be levying a collection charge, and it is the view of officers that as these costs can be met from existing budgets a charge should not be made to the BID company for this service.</p> <p>The Vale Council would also incur additional ongoing costs in respect of Vale Council-owned property within the BID area of circa £10,000 per annum, as a result of the levy charge, and a growth bid to cover these costs was approved as part of the 2015/16 budget.</p>
Other implications	
Background papers considered	<ul style="list-style-type: none"> • appendix one - Abingdon BID Business Plan • appendix two – Vale Council-owned properties in BID area • appendix three – draft operating agreement
Declarations/conflict of interest?	None

Declaration of other councillor/officer consulted by the Cabinet member?				
List consultees		Name	Outcome	Date
	Ward councillors			
	Legal and democratic	Pat Connell	Agreed	25/09/15
	Finance	Ben Watson	Agreed	24/09/15
	Human resources			
	Sustainability			
	Diversity and equality			
	Communications			
	Strategic Management Board	David Buckle	Agreed	25/09/15
Confidential decision? If so, under which exempt category?	No			
Call-in waived by Scrutiny Committee chairman?				
Cabinet member's signature To confirm the decision as set out in this notice.	 25.IX.MMXV			

ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.

For Democratic Services office use only		
Form received	Date: 25-9-15	Time: 12:30
Date published to Scrutiny Committee	Date: 25-9-15	
Call-in deadline	Date: 2-10-15	Time: 17:00