

Scrutiny request

Issue - Scrutiny of the Worthing Business Improvement District (BID) process

Request from - Councillor Kevin Jenkins - Worthing Borough Council

Public interest -

I am aware that within your work portfolio you were/are seeking to look at how our respective towns economy is recovering and being supported in its recovery post pandemic. The work of the local and county authorities in this is crucial, as well as the adaptations of business to the changes and challenges they face. This is very much a partnership approach. Amongst that is the work of the Worthing Business Improvement District (BID), which is overseen by the Worthing Town Centre Initiative (TCI).

By way of background information, (extracted from TCI/BID webpages)

The Worthing Town Centre Initiative proposed that the Town Centre became a Business Improvement District in 2007. The business plan was written, following an extensive consultation with the business community, and the postal ballot took place during June 2007.

A successful BID ballot must achieve 2 criteria

- 1) at least 50% of the number of businesses voting agreeing to the BID – Worthing achieved 57%
- 2) at least 50% of the rateable value of those voting agreeing to the BID – Worthing Achieved 53%

The ballot was successful and the BID launched on 1st April 2008.

The Business Improvement District funding comes from businesses trading in the Town Centre who pay an additional levy on their business rates, currently 1.25%. Businesses are given the opportunity every 5 years to vote on an updated or new business plan to decide if the BID should continue.

The BID has been successfully renewed in 2012 and 2017 .

2012 Result:

69% of the number of businesses voting agreed to the BID
79% of the rateable number of those voting agreed to the BID.

2017 Result:

82% of the number of businesses voting agreed to the BID.
85% of the rateable number of those voting agreed to the BID.

The current BID term is from 1st April 2018 until 31st March 2023 with levy paying businesses liable for a levy of 1.25% of their rateable value. Businesses within the BID area with a Rateable Value of £12,000 or above, are liable to pay the BID levy charge.

Business Improvement Districts are business led partnerships which are created through a ballot process to deliver additional services to local businesses. They can be a powerful tool for directly involving local businesses in local activities and allow the business community and local authorities to work together to improve the local trading environment. There is no limit on what projects or services can be provided through a Business Improvement District. The only requirement is that it should be something that is in addition to services provided by local authorities. Improvements may

include, but are not limited to, extra safety/security, cleansing and environmental measures.

The Business Improvement District proposer is required to develop a proposal and submit this to the local authority, along with a business plan. The proposal should set out the services to be provided and the size and scope of the Business Improvement District. It will also set out who is liable for the levy, the amount of levy to be collected and how it is calculated.

The local authority will manage the ballot process. However, if the local authority is of the opinion that the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the levy is unjust, it can decide to veto the proposals.

The proposal to renew the BID for a 4th term, covering 2023-2028, is currently being considered utilising a Business Survey, to identify the priorities for the next 5 years, and is about to take place. The formal ballot will be held by post and will take place during October 2022.. To my knowledge the renewals in 2012 and 2017 were not subject to any formal review, other than by the TCI/BID and the businesses themselves.

Worthing Borough Council is one of, if not the largest, contributor to the BID in respect of being a business with a number of premises in the town, all of which attract levy fees, funded by local tax payers money. As we come out of the pandemic local residents need assurance that the past work of the BID has made a difference to the town and that the future plans for the BID area reflect the real and current challenges faced by our town centre post pandemic with the changing use and face of our high streets / town centre and align with the aspirations for the town.

I would therefore invite you to consider calling a meeting of the 'Worthing Overview & Scrutiny Committee' to consider this request for scrutiny and if accepted appoint a working group to oversee a review of the current BID and its proposals for 2023-2028 to help allow the local authority to make an informed decision as to whether the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the proposed levy is unjust or whether they should be considered for support.'

Score = High

Ability to change - The proposal will allow the local authority to make an informed decision as to whether the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the proposed levy is unjust or whether they should be considered for support.

Score = High

Performance - This review request is not related to the performance of a Council service but does relate to the performance of the BID arrangements to ensure that they are robust and fit for purpose.

Score = Medium

Extent - This proposal covers issues relating to businesses in Worthing but also the outcomes from a BID will have an impact on local residents and visitors to the town if improved services are provided.

Score = High

Replication - This issue has not been scrutinised previously by JOSC

Score = High

Expected Outcomes - Oversight of a review of the current BID and its proposals for 2023-2028 to help allow the local authority to make an informed decision as to whether the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the proposed levy is unjust or whether they should be considered for support.

Does the proposed review link with the Council strategic objectives or does the Joint Overview and Scrutiny Committee have the ability to influence and/or add value on the subject?

Score = Platform 1 - Prosperous Places - Helping businesses improve.

How could this review be undertaken? A Working Group of JOSC to be set up to oversee a review of the current BID and its proposals for 2023-2028 to help allow the local authority to make an informed decision as to whether the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the proposed levy is unjust or whether they should be considered for support.'

Recommendations from Joint Overview and Scrutiny Committee Chairmen/Vice-Chairmen:-

That the scrutiny request be supported and a Worthing only JOSC Working Group be set up to review the matters contained in the request.