



ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL

Panel Report

Public

Date of Meeting: 25 October 2012

Title: CARLISLE CITY CENTRE BUSINESS IMPROVEMENT DISTRICT
UPDATE

Report of: DIRECTOR OF ECONOMIC DEVELOPMENT

Report reference: ED 34/12

Summary:

The purpose of this report is review the options regarding the establishment of a Business Improvement District (BID), following the result of the ballot on Friday 28th September which voted against the formation of a BID.

Questions for / input required from Scrutiny:

The Environment and Economy Overview & Scrutiny Panel are requested to consider the options set out in this report and advise on the following proposed actions:

- To re-ballot businesses, within the next 12 months, on the proposal to establish a Business Improvement District in Carlisle City Centre.
- Identify City Council representative(s) to work with businesses in the City Centre and other stakeholders to identify any issues.
- That the timescale for a re-ballot should be sufficient to allow for the appointment and establishment of a independent member of staff to work on behalf of the BID prior to and during the ballot.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

Background Information

To ensure the ongoing vitality of Carlisle city centre, the proposal to establish a Business Improvement District (BID), as outlined in the report of 14th March, 2011 (Ref; SD 03) was agreed and to which the attached business plan refers.

A BID is a specific area where businesses work together and, supported by the Local Authority, invest in agreed services, projects and special events.

The creation of a BID is subject to a regulatory process culminating in a formal Ballot of city centre businesses after which (if a majority is achieved) a formal BID company is formed. For success, a simple majority of both the number of businesses being balloted and the total Rateable Value they represent is required.

The ballot period for the 332 business who were eligible to vote took place between Wednesday, 29 August and Thursday, 27 September 2012.

Current Position

The majority of Business ratepayers in the proposed BID area who voted, voted against the proposal, although the majority (67%) of rateable value voted in favour. The turnout was a 37.3%.

The results were as follows:

Total number of votes cast in the ballot, excluding any given on ballot papers rejected: **124**

- Aggregate rateable value of each hereditament in respect of which a person voted in the ballot: **£7,787,050**
- Total number of votes cast in favour of the proposed Business Improvement District for Carlisle: **55**
- Aggregate rateable value of each hereditament in respect of which a person voting in the ballot has voted in favour of the proposed Business Improvement District for Carlisle: **£5,284,900**

To have achieved a 'Yes' vote in this ballot, 8 additional votes would have been required, taking the total from 55 to 63.

As a result of the BID process, the relationship between the City Council and the retailers has improved, particularly with regards communication and it is important that we build in this.

BID Options

1. Continue to work with City Centre business, without the establishment of a formal Business Improvement District.
2. Based on the current area defined within the BID, re-ballot the existing businesses once a period of consultation has taken place with the Steering Group and other stakeholders.
3. Review the proposed BID area and eligible business categories in consultation with the relevant stakeholders.

Proposed Actions

- To re-ballot businesses, within the next 12 months, on the proposal to establish a Business Improvement District in Carlisle City Centre.
- Identify City Council representative(s) to work with businesses in the City Centre and other stakeholders to identify any issues.
- That the timescale for a re-ballot should be sufficient to allow for the appointment and establishment of a independent member of staff to work on behalf of the BID prior to and during the ballot.

Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	No	
Disability	No	
Race	No	
Gender/ Transgender	No	
Sexual Orientation	No	
Religion or belief	No	
Human Rights	No	
Health inequalities	No	
Rurality	No	

If you consider there is either no impact or no negative impact, please give reasons:

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.....

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If an equality Impact is necessary, please contact the P&P team.

CARLISLE CITY CENTRE

BUSINESS IMPROVEMENT DISTRICT

Proposal 2013 - 17



www.carlislebid.co.uk

The Carlisle City Centre BID represents a business led initiative which brings together local businesses to add value and make a tangible difference to the management of Carlisle city centre.

The work is being championed by a group of like-minded businesses which include Bookcase, House of Fraser, Marks & Spencer, the Lanes Shopping Centre, Mothercare, Wilkinsons, the Crown & Mitre, Tullie House, and a number of local independent retailers, pubs, restaurants and coffee shops, together with Carlisle City Council.

Business Improvement Districts (BIDs) provide effective organisational models which bring together the business community, both occupiers and owners, and the public authorities, to work together for the benefit of specific locations.

This BID proposal presents an opportunity for city centre businesses to take a more significant role in Carlisle. It will give a collective voice and sustainable resource to help maintain competitive advantage for Carlisle city centre and an effective partnership between business and the public authorities.

The BID will deliver tangible improvements to the area and demonstrate clear and measurable benefits for business through the implementation of operational and marketing programmes, helping to drive both commercial and environmental improvement. It will provide greater strategic context for business and galvanise the business community, statutory authorities and wider stakeholders behind a common vision for the city centre and generate an enhanced income stream which will benefit the whole area in terms of service provision.

A Business Improvement District will embrace the whole of the business community behind the future wellbeing of Carlisle city centre and help ensure it continues to meet the needs of retailers, employees, shoppers, visitors and investors alike.



Steve Matthews
 Chairman
 Carlisle City Centre BID Steering Group



Contents

Introduction

2

Action Plan

6

Governance

12

Financial Management

18

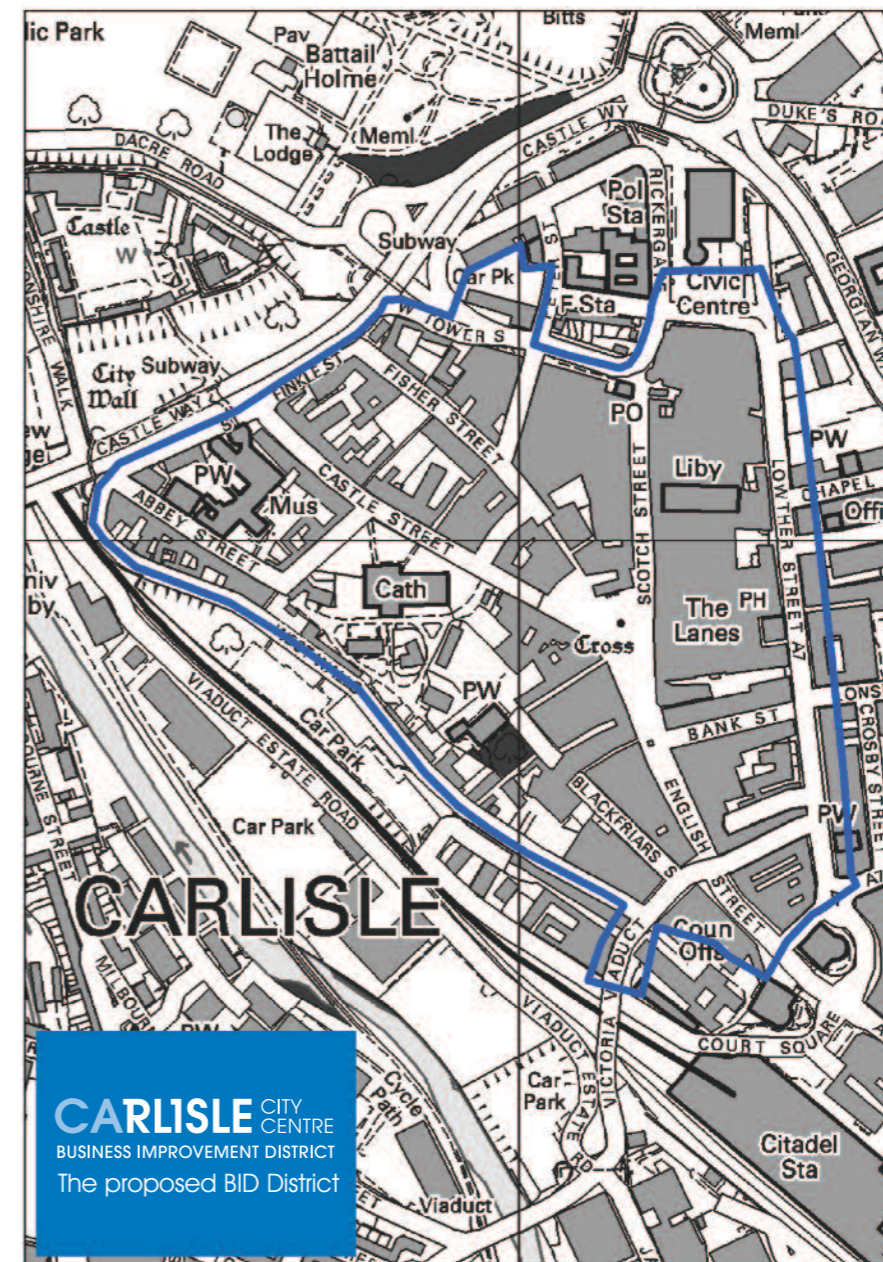
Voting process

22

Business Feedback

Research undertaken during 2011/12 has helped better understand business views to the city centre and to the potential development of a Business Improvement District. Through this business engagement programme, the business community has provided clear direction. The BID will be based upon the following priorities:

- Increasing footfall into the city centre
- Maintaining and developing Carlisle as a tourist hub
- Improving communications on city centre matters
- Providing an environment for a wider mix of independent shops, brands and eateries together with national chains
- Generating operational cost savings for city centre businesses
- Enhancing the visitor experience through environmental improvement and a revitalised street-scape
- Developing a strong collective voice to shape public and commercial policy, with a particular focus on the visitor experience in the city





Action Plan 2013 – 2017

The BID Company will be guided by a number of core principles to ensure it reflects the needs of the business community and its wider environment.

Commercial

Informative

Sustainable

Additional

Immediate objectives

- Design and implement a marketing strategy to drive city centre footfall
- Develop and deliver a city events programme which supports the retail and tourism offer, best utilises the pedestrian square and is well communicated
- Plan and manage a Christmas promotional campaign
- Set out a plan to improve business satisfaction levels of city centre parking
- Set up a joint procurement and waste management strategy to reduce operating costs
- Create a dedicated 'city centre team' in partnership with the City Council and Police
- Identify desired improvements to the street environment and amenities to inform future investment plans

Work Programmes

1. Marketing and promotion

Clear brand and identity

Vital to the ongoing success of Carlisle as a shopping destination is the reinforcement of the shopping brand. Destinations, like products, thrive on brand loyalty and Carlisle should not be viewed in any other way. All activity undertaken will be brand led to ensure a clear and consistent message is communicated about the city centre.

Increasing footfall

The BID Company will seek to increase footfall and the dwell time of shoppers. It will re-engage with shoppers who have been attracted to alternative centres, reinforcing the benefits of shopping in Carlisle and offsetting any negative perceptions that may exist. It will seek to encourage extended shopping hours with the aim of changing behaviour and attracting shoppers into the early evening.

Driving the Retail Calendar

An events and promotional programme will be designed and implemented which reflects the retail calendar and maximises commercial opportunities. This will be delivered in partnership with the tourism support agencies.

A programme of street events will be developed building on the existing events calendar. The pedestrianised space will be utilised to compliment the retail offer in place. Commercial and media partnerships will be sought to offset costs where possible.

Seasonal lighting

A five year business plan with a guaranteed income stream will provide the opportunity to refresh the city centre's seasonal lighting scheme. The ability to finance over a longer period will provide for a greater quality of design ensuring that Carlisle can continue to deliver a regional attraction at the more important times of the year for retailers.

Maximising the visitor economy

Tourism offers immediate growth potential. The BID Company will work with the tourism support agencies, Visit England and key local attractions to achieve joint objectives. Promotion at 'gateways to Carlisle', a strong online presence, editorial in major tourism publications and press events will be important to achieving this objective.

Budget allocation £75,000

Spending will incorporate event seed funding, city centre PR and promotion, a contribution towards seasonal lighting and joint marketing activity with the tourism support agencies.

2. Insight and intelligence

Information hub

Channels of communication will be developed to ensure the effective transfer of information to and between shoppers, visitors, the business community and public agencies. This will include (but not limited to) literature, a website, shopping and eating guides, newsletters and business briefings.

Specifically, the BID Manager will provide an effective conduit between the business community and wider public services to ensure information and intelligence is shared and disseminated in an effective manner.

Budget allocation £15,000

Spending will incorporate the set-up of communication channels and the identification of city centre information and intelligence.



3. Operations

Reducing business costs

Through specialist procurement and economies of scale, the BID will provide added value and tangible economic benefit to help meet BID members' economic, corporate social responsibility and environmental ambitions.

There are commodities and services common to most businesses such as energy, waste, stationery, water and building management services. By joining the procurement power of the business community via the BID, we will be able to:

- Reduce operational costs
- Reduce environmental impacts
- Improve service levels
- Enhance management information

Improved street-scape

A programme of street improvements will be identified to improve the pedestrian experience. The work will include a review of street furniture and lighting, street clutter and the quality of public spaces and their on-going management. The review will feed into a programme of advocacy.

Better legibility

Clear, safe and pleasant walking routes will be developed to assist connectivity in and around the city centre. Literature will be produced and a dedicated website developed to better communicate the offer. Work will be undertaken to improve the quality and effectiveness of street signage.

Enhanced enforcement

A significant portion of illegal and unacceptable activities that take place on the streets are regulated but sometimes enforcement levels fail to curb matters in a timely manner. The BID Company will work with the City Council and the Police to help facilitate additional tasking.

Business Crime Intelligence Partnership

Reducing business crime and thus operating costs will be a priority for the BID Company. Its aims will be prevention and detection, apprehension and prosecution of offenders plus a reduction in both the opportunity to commit crime and resulting losses. Specifically a Business Crime Intelligence Partnership will be developed from the existing radio link system.

Budget allocation £33,000

Spending will incorporate the set-up of a joint procurement scheme and waste management strategy, development of the Crime Intelligence Partnership, seed funding a review of street furniture and appropriate city centre tasking.

4. Leadership and advocacy

The leadership and advocacy programme will focus on the role the BID will play in the broader strategic context and the relationships and activities it engages to influence on-going economic development.

The BID will provide business leadership and become the representative and authoritative voice on city centre issues. Ensuring that a quality trading environment is maintained, helping to sustain on-going progress, development and investment, promoting and managing change and responding timely to market changes and local community needs will be paramount.

The BID will provide a key advocacy role to ensure key issues are well represented and remain on the agenda of appropriate agencies. A collective voice representing the interests of the business community will maintain and develop an effective working partnership with the public authorities.

The BID Company will seek to generate confidence in Carlisle city centre and help attract investment by promoting the city, its economic performance and overall potential. Maintaining a level of confidence will help attract new and exciting retailers who are increasingly faced with a wide choice of potential locations.

The BID Company will develop a relationship with the public agencies, property owners and developers to encourage increased investment and improvement to the city centre's image, street environment and parking.

Budget allocation £20,000

Spending will incorporate market research, procurement of specific expertise and the development of an investor prospectus.



Governance

The Carlisle City Centre Management Company is the proposer for the BID in Carlisle city centre and is the legal entity that will run the activities of the BID assuming a successful ballot.

All of the following streets are included in the proposed BID area:

Abbey Street	Grapes Lane	St Alban's Row
Bank Street	Green Market	St Cuthbert's Lane
Blackfriars Street	Heads Lane	St Mary's Gate
Carlyle's Court	Lowther Street	Victoria Viaduct
Castle Street	Market Street	Warwick Road (part)
Devonshire Street	New Lane	West Tower Street
East Tower Lane	Paternoster Row	
English Street	Peascod Lane	
Finkle Street	Rickergate	
Fisher Street	Rosemary Lane	
Globe Lane	Scotch Street	



For more details visit www.carlislebid.co.uk



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Company members

The company membership will have two categories:

BID levy payers -

commercial occupiers liable to pay the Business Improvement District levy will be admitted to membership in accordance with the BID Company's Articles of Association. BID levy payers will be admitted to membership on submission of written confirmation to the BID Company.

Voluntary members -

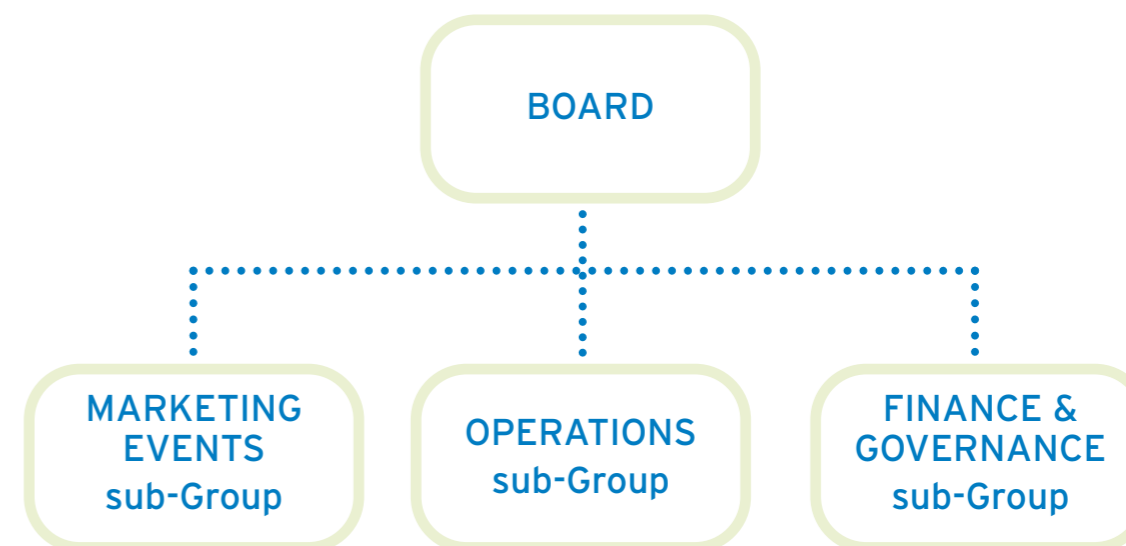
a business will be admitted to membership of the BID subject to the approval of their application by the BID Company Board. Their application will ordinarily be supported by either a financial contribution (or in-kind) or their strategic importance to the delivery of the BID's business objectives. Key groups will include property owners and the public authorities.



Company structure

A Board of Directors (of between 8 - 12 members chosen from the businesses which form the constituents of the district) will lead and guide the work of the BID company. It is anticipated that the existing City Centre Management Company Board members will maintain their position and be joined by a representative group of new businesses. A mix of local, independent, national chain and department stores will be sought. The Board members will be elected by the company membership at its AGM.

Three executive sub-groups will be established to provide focus on specific aspects of the BID's work. The members of these groups will be invited from the BID members, their work helping to inform the decisions and work programmes agreed by the company Board.



Property Owners

Property owners will be encouraged to become voluntary members of the BID in order to help bring a medium to longer term and strategic focus to the work of the BID Company. This will add value to its day to day, tactically focused activity.

Carlisle City Council

Carlisle City Council is the billing authority in respect of the streets and property in the area of the BID Company.

Two important legal agreements will exist between the BID Company and Carlisle City Council.

- 1) An operating agreement which will provide the basis for which to collect the BID levy from the business constituents
- 2) A baseline agreement which will set out service specifications for statutory provision such as cleansing, highways and community protection which will continue to deliver throughout the lifetime of the BID

It is the baseline agreement which will allow the BID Company to report on statutory services and ensure its own services are wholly additional. A further agreement may be entered into which relates to specific services the BID Company may perform (as agreed) on behalf of the City Council.



Financial Management

BID Levy Rules

- The BID term will be 5 years from 1st January 2013 to 31st December 2017
- The BID levy will be applied to rated properties in the BID with a rateable value of £7,500 or more
- The BID levy will be fixed at 1% of rateable value using the 2010 rating list as at 1st April 2012 (rising annually by 3% to reflect inflationary increases)
- The liability for the daily BID levy will fall on the eligible ratepayer
- Charitable organisations in receipt of mandatory charitable relief from rates will receive the same allowance
- The BID levy will not be increased other than those specified in these levy rules
- The BID levy is to be paid in full within 14 days of receipt of invoice
- There will be no VAT charged on the BID levy
- Liability for the BID levy for empty properties will be with the eligible ratepayers with no void period. Empty listed properties will be exempt

The BID process is governed by Government legislation and regulations. As such, once a majority vote had been achieved, the BID levy becomes mandatory on all defined ratepayers.

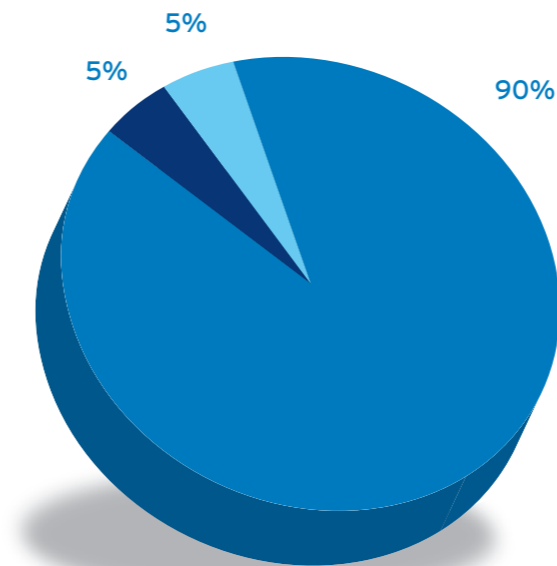
Operating Agreement

Through the Operating Agreement set up with Carlisle City Council, a process will be put in place to monitor the BID finances over the duration of its 5 year tenure. A Monitoring Group will be set up to review the effectiveness of the BID levy process, cash flow and any changes to the businesses occupying space with the BID area.

Budget

Income & Expenditure, Year 1

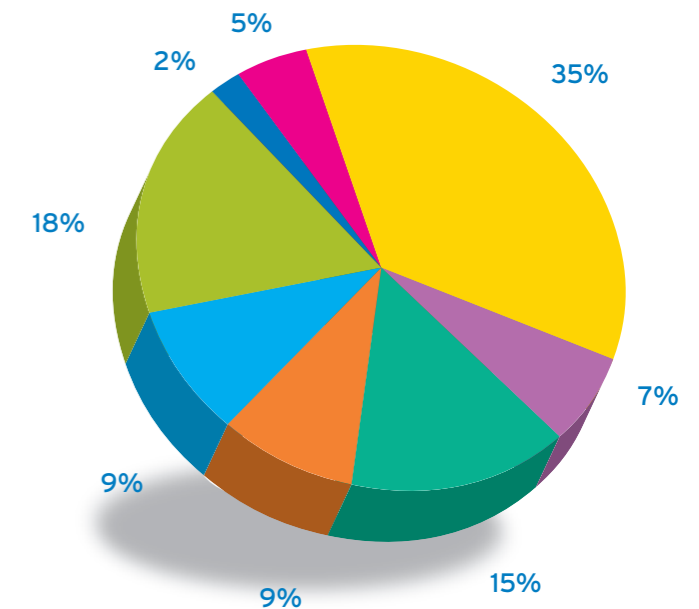
Income



	£000's
BID Levy	200
Voluntary membership	10
Commercial income	10
Total	220

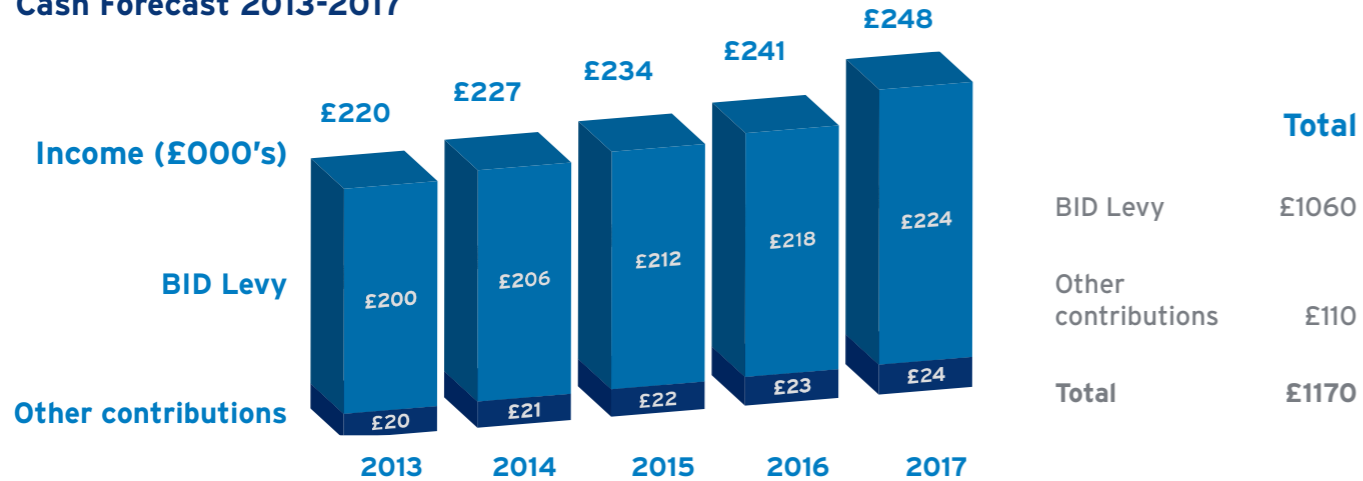
*Other contributions - property owner membership, commercial income, grants and sponsorship.

Expenditure

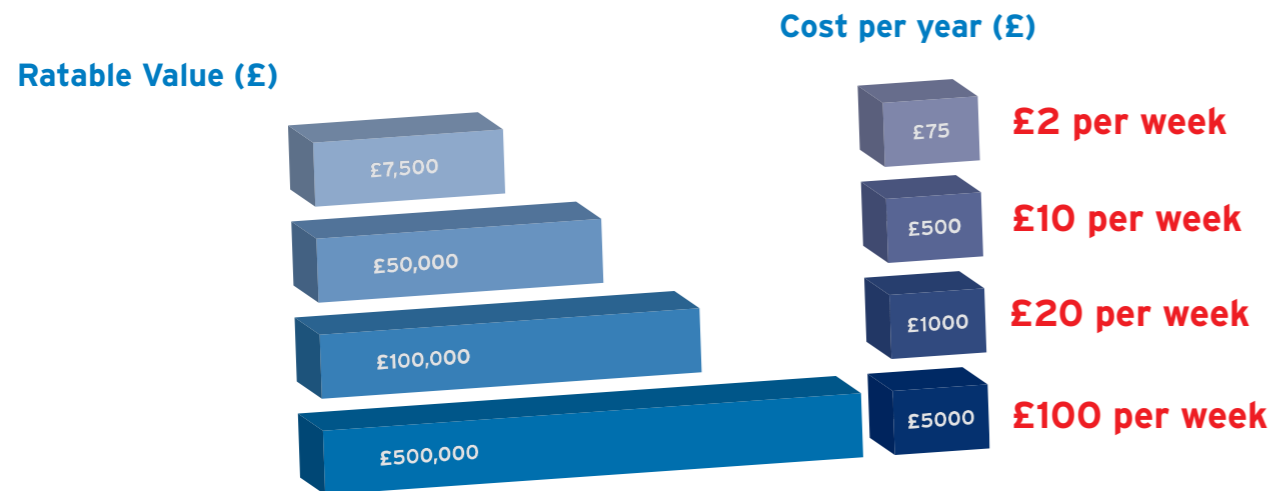


	£000's
Marketing & promotion	75
Communication Insight & intelligence	15
Operations	33
Leadership & advocacy	20
Administration	20
Management	40
BID Levy collection	5
Contingency	12
Total	220

Cash Forecast 2013-2017



What is the Investment?



Measurement of Performance

Measuring performance will be treated as an important aspect of effectively managing the work of the Carlisle City Centre BID. The organisation will measure its own performance against agreed key performance indicators with a focus on tangible delivery and return on investment. Footfall and sales will be measured through the potential introduction of footfall cameras and sales index indicators such as those provided by Springboard.

In addition, the overall performance of the city centre will be monitored in context with the work of the BID over its initial mandate of 5 years.

Key performance indicators will include:

- Level of footfall
- Value of PR coverage
- Reduction in costs
- Quality of the street scape
- Additional income streams
- Satisfaction levels of business
- Feedback of visitors and regular users of the city centre
- Level of investment generated for the city



The Voting process

During late August and September 2012 eligible businesses within Carlisle City Centre will be given the opportunity to vote on this Business Proposal for the Carlisle BID Company to become fully operational on your behalf.

The BID ballot will be administered by Carlisle City Council, Returning Officer and his Electoral Services staff. It will be arranged in line with the rules set out in the BID regulations (2004) as approved by Parliament.

The ballot will need to satisfy two tests – a majority by number of those voting and a majority in the proportion of rateable value of those voting. The BID Levy is then applicable to all eligible businesses.

All eligible businesses will be entitled to one vote per hereditament. Some businesses occupying more than one hereditament within the area will therefore be entitled to more than one vote.

Key dates

- Your ballot paper will be dispatched by post on the 28th August 2012
- You will need to cast and return your postal vote by 5pm on 27th September 2012
- The results of the vote will be announced on 28th September 2012

Note: Full ballot arrangements are available at www.carlislebid.co.uk





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BUSINESS IMPROVEMENT DISTRICT

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