
**DARLINGTON TOWN CENTRE
BUSINESS IMPROVEMENT DISTRICT (BID) 2017 – 2022**

**Responsible Cabinet Member – Councillor Chris McEwan
Portfolio for Economy and Regeneration**

Responsible Director – Ian Williams, Director of Economic Growth

SUMMARY REPORT

Purpose of the Report

1. To seek Cabinet's support for the private sector led proposal that effectively continues with a Business Improvement District (BID) for five years for Darlington Town Centre with effect from April 2017. A ballot is proposed to take place on 9 March 2017.
2. The existing BID, run by Distinct Darlington, has operated for five years and this BID proposal attempts to build on that. It is technically classified as a new BID Proposal but in reality will be viewed by existing Levy papers as a BID renewal.

Summary

3. The continued attractiveness, vitality and vibrancy of the Town Centre are an essential cornerstone in Darlington's future as a place where people choose to live, work and do business. This is a high priority for the Council and its partners.
4. In uncertain and challenging financial economic conditions, the value and benefit of a business led Business Improvement District as a method to help secure investment and added value activities into the Town Centre is considered to be important.
5. Business Improvement Districts already operate in over 200 UK locations, with many of our neighbouring areas securing new BIDS, i.e. Stockton, Durham, Northallerton and Newcastle.
6. A BID is an arrangement whereby businesses get together, decide what additional improvements and activities they want to deliver, how they are going to manage and co-ordinate those. A BID lasts for a maximum of five years and must be able to demonstrate how it has benefited businesses, ie the Levy payers who have funded it.

7. The BID Proposal and Business Plan is voted on by all those businesses that would have to pay. The vote would need to be satisfied on two counts; a majority of those voting by number and a majority of those voting by rateable value.
8. The BID has a growing social media and advertising presence, and is now delivering annually recognised events such as 'Distinctly Delicious', Christmas events, Fashion Shows and Car Rallies, all designed to bring additional footfall into town. The Little Book of Offers is growing in use and popularity with over 80,000 distributed, and the team of Rangers is increasingly pro-active with other key stakeholders in making Darlington welcoming, safer and cleaner.
9. The BID continues to mature and is growing in impact. For example how it works alongside the Council to represent independent business input on policy and strategy, to influencing and shaping improvements in Town Centre car parking, and liaising and adding value to the Councils own Town Centre events programme. It is becoming an increasingly important voice for independent businesses in the Town Centre.

Recommendations

10. It is recommended that Cabinet :-

- (a) Support the Darlington Town Centre BID proposal for 2017 – 2022 as set out in the Draft BID Prospectus in **Appendix A**.
- (b) Note that The Chief Executive, as the Returning Officer appointed by the Council under Section 35 of the Representation of the People Act 1983, will act at the Returning Officer for the BID vote and accordingly will make arrangements for a ballot to be held on the BID proposal in March 2017.
- (c) In supporting the BID proposal, agree that the Council will vote 'YES' in the BID ballot in respect of each of the Council's eligible rateable hereditaments in the BID area given the BID's achievements that can be built on
- (d) Nominate the Leader of the Council to cast the vote in respect of the Council's eligible hereditaments in the BID boundary area.
- (e) Agree that in the event of a successful BID ballot vote, the Council may take on legal responsibility for the collection of the BID Levy, with the duty delegated to the Assistant Director, Housing and Building Services. A Council charge (to be paid annually by the BID Company for the five year term of the BID) of £14,000 per annum for administering the billing, collection, recovery and auditing of the BID Levy will be applied. These responsibilities will be set out in the Operating Agreement between the BID Company and the Council.
- (f) Approve the payment to the Town Centre BID Company, on the basis of net monies collected from the BID levy, with payment made by the tenth working day of the month following collection.

- (g) In the event of a successful BID ballot vote, approval for the Operating Agreement to be formally completed under delegation to the Director of Economic Growth.

Reasons

11. The recommendations are supported by the following reasons :-

- (a) The proposed BID provides a model to bring additional resource to help improve the appearance, safety/security, vibrancy and access of and to the Town Centre. It is a private sector led resource BID Board to promote Darlington Town Centre as a place to visit, to shop and to do business.
- (b) As a business ratepayer, collection authority and provider of services within the Town Centre, the Council's support in the BID proposal and the BID vote is required to ensure the success of the Darlington Town Centre BID and all that this means in terms of contribution to the future viability and vitality of the town centre.

Background Papers

No background papers were used

Ian Williams : Extension 6379

S17 Crime and Disorder	Although there are no significant anti social behaviour issues within the Town Centre, the development of a Darlington BID has the potential to address any such anti social issues and to tackle any issues around violent crime and disorder, including in the Night-Time Economy
Health and Well Being	This will not have any direct impact on Health and Well Being
Carbon Impact	This will not have any direct impact on Carbon
Diversity	This will not have any direct impact on Diversity
Wards Affected	Park East, Park West and Northgate
Groups Affected	Town Centre Businesses and people experiencing the Town Centre.
Budget and Policy Framework	The proposal's do not represent a change to the Council's Budget or Policy Framework
Key Decision	This is not a key decision
Urgent Decision	This is an urgent decision
One Darlington: Perfectly Placed	The development of the Town Centre is important in delivering outcomes that meet the themes of Prosperous, Aspiring, Greener and Safer Darlington in the Sustainable Community Strategy
Efficiency	A Darlington BID has the potential to generate an income, secure financial stability and enhance the town centre for the benefit of businesses and the vitality of Darlington Town Centre. The BID has potential to drive efficiencies for Town Centre Business making them more competitive.

MAIN REPORT

Information and Analysis

Background Information & Issues

12. The continued attractiveness, vitality and vibrancy of the Town Centre are an essential cornerstone in Darlington's future as a place where people choose to live, work and do business. This is a high priority for the Council and its partners.
13. With uncertain and challenging financial conditions, the idea of Business Improvement District is a model that can help to secure additional investment into the Town Centre and create some added value activities supporting footfall and vibrancy over the next five years.
14. Darlington Town Centre holds an enviable position as one of the top retail and leisure shopping towns in the Tees Valley sub region
15. Despite Darlington Town Centre performing well in the current economic climate, it faces competition and pressure regionally and locally from centres such as Stockton-on-Tees, Middlesbrough, Newcastle-Upon-Tyne, Northallerton and Durham, as well as local retail parks like Teesside Retail Park, and the increasing demand for on-line shopping.

Business Improvement Districts (BID)

16. The first BID (or Business Improvement Area, as they are known in Canada) was established in Toronto in 1970, and BID's reached the USA a few years later with the formation of the Downtown Development District in New Orleans in 1975.
17. There are currently around 200 BID's in the UK, of which over half are in town and city centres. BID's have been in existence for over five years and some of the early ones (approximately 30) have recently gone out to a second ballot and all have agreed to renew and extend the BID for a further five years.
18. A BID is essentially an arrangement whereby businesses get together, decide what additional improvements they want to make, how they are going to manage and deliver those improvements and what it will cost them. This all goes into a business plan which is voted on by all those who would have to pay.
19. To recap, in order for a BID to be created, those businesses that pay to contribute to the BID are able to vote on the additional services and/or projects that have been identified in the Business Plan. The ballot is a confidential postal vote, and this would need to be satisfied on two counts; a majority both by number of votes cast and by the rateable value of the votes cast. This ensures that the interests of both the smaller independent businesses (greater in number) and national businesses (greater in rateable value) are protected.
20. Once voted for, the BID levy becomes mandatory on all defined ratepayers and is treated as a statutory debt. The BID can last for a maximum of five years and must be able to demonstrate how it has benefitted businesses. A re-ballot would be

required at the end of the fifth year, with any renewals and extensions to the BID having to be reaffirmed through another vote.

The Darlington BID

21. In order to maintain and improve Darlington Town Centre, additional resources such as these are helpful and important and the establishment of this BID proposal will secure approximately £1.3m investment in the town centre area over five years. This will enable businesses to decide for themselves which improvements the town needs and what projects to support in the interests of the business community in the Town Centre.
22. The 'Darlington Town Centre BID' provides the potential for businesses in the town centre to work together to deliver improvements that they wish to do in turn help attract more visitors and businesses into the centre.

The 'distinct darlington' Draft BID Proposal and Business Plan

23. The '**distinct darlington**' Draft BID Proposal and Business Plan details the arrangements for the BID and also the benefits that were achieved in the first five years.
24. In summary these initiatives are likely to focus on:
 - (a) Marketing, Promotion & Events
 - (b) Clean, Safe & Welcome Activity
 - (c) Business Support
25. More details of the BID and the budget can be found on the '**distinct darlington**' website where a copy of the full Business Plan is available – www.distinctdarlington.co.uk
26. The BID area is essentially Darlington Town Centre within the inner ring road, and correlates with the existing BID boundary. This covers the heart of the Town Centre and contains the main retail, leisure and commercial areas.

Financial Implications

27. The Council (as a business ratepayer) has a number of properties within the BID Boundary area of the Town Centre.
28. If the BID ballot is successful the Council as now (as a business ratepayer) will be required to pay an additional 1.5% levy on its hereditaments within the BID Boundary area, just like every other business. This equates to Non-Domestic Rates (NNDR) payments in the BID area of £21,000 for the current year and an estimated £22,000 from April 2017.
29. Provision has been made in respective budgets for MTFP purposes of those Council properties that would be liable to pay the BID levy.

30. Those Council properties that fall below the £6,500 rateable value threshold will not incur a charge.
31. In the event of a 'YES' vote and a Darlington BID is implemented, the Council is likely to be asked by BID to be responsible for billing, collection and recovery of the BID Levy on behalf of the BID as part of the NNDR collection process. It is estimated that around 540 bills will need to be issued annually, and an annual charge to the BID company of £14,000 per annum is proposed for this. We are responsible for the collection of a fee up to obtaining a liability order from the magistrates at which point the BID take on the debt and use their own enforcement.
32. The Council will be required to pay the BID Company the money that is collected from the BID levy. It is proposed that the Council remits the net money collected to the BID Company on the basis that payment is made by the tenth working day of the following month.
33. Whilst at this stage it is likely the Council will be asked to act as collection agency BID can choose to go work another collection agency. No decision has been made by BID.

Electoral, Resource and Voting Implications

34. The Chief Executive as the Returning Officer appointed by the Council under S.35 of the Representation of the People Act 1983, will be the Returning Officer for the Ballot for Business Improvement District. The vote is a postal ballot and will be a simple 'YES' or 'NO' vote, and will be carried out by Electoral Reform Services (ERS). This will involve very minor resource implications on the part of the Council's Returning Officer.
35. Voting on the BID by businesses in Darlington will commence from Thursday 9 February 2017 and end on Thursday 9 March 2017 with the result expected to be announced shortly thereafter.
36. As the Council has a number of businesses within the BID boundary area, the Council has the opportunity to cast the votes relating to the properties for which it has responsibility for NNDR payments. The Council has one vote per property and it is proposed that these will be cast by the Leader of the Council.

Equalities

37. When making its decision, Members will be aware of the requirement to have 'due regard' to the Public Sector Equality Duty under section 149 Equality Act 2010. This duty requires the Council, when exercising its functions to have 'due regard' to the need to:
 - (a) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under the Act;
 - (b) advance quality of opportunity between those who share a 'protected characteristic' and those who do not share that protected characteristic, and

- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it (this involves having due regard, in particular, to the need to (a) tackle prejudice, and (b) promote understanding).
38. Section 149 (3) of the Act states in general terms that having 'due regard' to advancing equality of opportunity involves having due regard to:
- (a) the need to remove or minimise disadvantages;
 - (b) taking steps to meet the needs of people from protected groups;
 - (c) encouraging people from protected groups to participate in public life or other activities where their participation is disproportionately low.
39. Officers have considered the equalities implications of the BID being in place for a further five years and has concluded that the proposal in 'Equality Neutral'. i.e. there is no negative impact on any protected characteristic group.

Risk Implications

40. The practical risks associated with the BID are the responsibility of the BID Company.
41. Baseline Service Statements covering the service areas that cover Town Centre activity were agreed previously. These statements outline the commitment to ensuring agreed levels of services and ensuring that if a BID is developed, it provides additional activity, over and above what is included in the Baseline Service Statements. These are not legally binding; more statement of intents, and the Council and other public agencies reserve the right to amend services as and when deemed necessary.
42. Baseline Service Statements for the following service areas include Cleansing & Maintenance, Car Parking, CCTV, Markets, Festival & Events, Street Furniture, Street Lighting, Town Centre Planting & Landscaping, Public Conveniences, Town Centre Management, Highways & Roads & Policing. These are being reviewed for relevance and appropriateness as part of this BID process.

Legal and Governance Implications

43. The Local Government Act 2003, followed by the Statutory Instrument 2004 No. 2443 – Business Improvement District Regulations in September 2004 enabling BIDS to be set up in England and Wales contains the provisions for introducing the BID initiative. The contents of this report and the BID Proposal are considered to be consistent with the relevant Regulations.
44. Subject to a successful vote, the BID will be delivered through Distinct Darlington Limited. Distinct Darlington Limited is a 'not for profit limited company' with a Board of Directors drawn from organisations supporting the BID which is representative of the mix of businesses sector types within the BID, the Council, the Police and any other specialist skills as required.

45. In the event of a successful BID ballot, the BID Company and the Council will have an Operating Agreement which details the Council's support to the BID Company.
46. The Operating Agreement is a legal document which details the responsibilities of the BID Company and the Council in managing and delivering the BID Proposal.

[Draft text for Darlington BID Prospectus]

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£1.3 MILLION INVESTMENT TO BOOST OUR TOWN CENTRE...

BUT ONLY IF YOU **VOTE YES!**

1. The Story So Far

1.1 What the BID Chairman says

"I admit it. I was sceptical when I heard about the first Darlington BID proposal five years ago. I believed it would be doing the Council's job for them. In its first year I stepped back and let the organisation get on with it... then I woke up to the fact that it was my money they were spending, and I needed to know about where it was going and how it was being used to deliver what the town's businesses had voted for.

In its first years Darlington's BID team has been finding its feet. It has introduced or tried many things on the levy payers' behalf. A few of them have not been as successful as we had hoped, but others have exceeded our expectations. Our annual hanging basket display is enhancing the attractiveness of the town centre and the Rangers, introduced by Darlington BID, are helping the town centre to be a clean, safe and welcoming place. Our quarterly Little Book of Offers is giving businesses a chance to promote themselves to a wider audience and generate money back into their tills. Our regular major events, including Distinctly Delicious Festival of Food, Darlington Fashion Week, Classic Car Show and the Festival of Winter Enchantment at the Darlington Spiegel tent have attracted new audiences to the town and some are becoming regular events in the calendar. Without the BID none of these would have happened.

We listen to the levy payers and address any criticism that Darlington BID's activities benefit some areas or business sectors more than others. In response we have adopted a more varied approach, seeking wherever possible to spread our efforts geographically.

Sadly, I feel it is inevitable that Darlington Borough Council will be forced to continue cutting costs, and the impact of those cuts will become more and more obvious to us all. It is therefore more important than ever that we continue to have an organisation, such as Darlington BID, controlled and funded directly by the businesses, not subject to the financial whims of central or local government, and free to develop the town centre experience in line with the levy payers' aspirations.

Over the last five years, we have spent roughly £1.5million (about £300,000 each year) within the town centre and invested over 9,000 man hours each year working on various projects but we recognise that there is more to do.

During the next five years we propose to continue to work on your behalf, delivering projects that you believe have the greatest benefit to your business and for the town. You have informed and shaped this BID proposal through your responses to our research.

Not only do I urge you to vote YES at the ballot, but to get behind Darlington BID and engage with us so that together we can build a more prosperous town centre.

Remember **Your Money, Your BID, Your Priorities**".

Peter Bulmer, Chair, Darlington BID

1.2 Distinct Darlington and the BID

In 2012, the town's businesses voted by majority to establish a Business Improvement District (BID), named 'Distinct Darlington' to invest collectively in a five-year programme of improvements to the town centre. For the first time, businesses in Darlington town centre had control of an initiative that could raise its own funds and in sufficient quantity to really make a difference to the issues and priorities that they faced. The BID Business Plan 2012-2017 set out the BID's intention to focus on four significant areas of activity:

1. Making the town centre a cleaner, safer and more welcoming place;
2. Marketing the town centre to improve perceptions and drive footfall;
3. Promote business savings, business excellence and encourage networking;
4. Making the town centre an accessible and affordable place to visit.

As you may notice from this document, we are re-branding from 'Distinct Darlington' to 'Darlington BID'. We feel that Darlington BID better reflects who we are and what we do. The new brand offers a more vibrant visual identity that is more closely linked to Darlington's heritage as well as providing a modern platform that we can carry forward for the next five years and beyond.

Darlington's BID set out plans to invest £1.5m in projects, activities and services to address these priorities. Responsibility for the delivery of the BID lies with a body created specifically for the task. Distinct Darlington Limited is a not-for-profit company limited by guarantee with a board of directors who are unpaid volunteers and represent the diverse business interests in the town centre. Details of the current membership can be found at: www.distinctdarlington.co.uk

1.3 Achievements of 2012-2017 BID

A great deal of what was set out in the BID business plan in 2012 has since been delivered. Some of the specific outputs include:

- Town centre app with over 1,000 users and growing, 95% of those being weekly users;
- Social media with 13,000 followers and growing;
- Website with over 27,000 users and over 70,000 views each year;
- Over 92,000 people contacted every year via e-communications;
- 80,000 'Little Book of Offers' distributed every year since 2013, generating over £105,000 of extra spend in the town's businesses;
- Events such as 'Distinctly Delicious: Festival of Food' becoming firmly established as annual events and attracting thousands into the town centre;

- Growing number of events being trialled and adding to the calendar of events, most recently including Fashion Week, Car Show, Halloween and the Darlington Spiegeltent;
- 37 businesses taking advantage of a sponsorship deal with commercial radio to advertise their business to over 50,000 listeners;
- 175 floral hanging baskets spread across the BID area to enhance the appearance of the town centre;
- Small team of Rangers interacting daily with shoppers, visitors, business owners and their staff, the Council and police, to promote a safe and welcoming town centre;
- And, almost £100,000 of savings so far delivered to businesses participating in the BID's central procurement scheme.

2. The Next 5 Years

2.1 Why do we need the BID?

The current BID is almost five years old and its current programme almost at an end. The need to renew the BID is vital to Darlington. A second BID term will bring a fresh, ambitious and relevant programme of work, that offers the opportunity to take Darlington town centre from being a place that is surviving to a place that is thriving.

The need for the BID is even more relevant today than it was in 2012. The challenges facing the town centre have not gone away; they are stubbornly persistent. To choose to ignore them, to choose to give up on the BID and a further £1.3m of investment in the absence of any rational alternative, would be a shameful waste of the investment that has been made through the BID to date.

The BID is worth the effort to get it right. At the time of our last business plan, in 2012, there were 140 BID's in the UK and, almost 5 years on, there are now over 230 BIDs in towns and cities across the UK. Over 100 of these are now in their second or third terms (each term up to 5 years) and provide evidence that investing in something truly worthwhile takes time. In 2012, Darlington town centre was the first town to become a BID in the Tees Valley and one of the first in the North East, since then many towns and cities have been successful in getting a BID, including Durham, Sunderland, Stockton and, most recently, Northallerton. This further highlights the importance of Darlington's businesses continuing to invest through a BID in order to remain competitive among its neighbours.

The BID will address the priorities identified by the town's business owners and managers. Between June and October 2016 businesses were consulted by means of surveys and face-to-face interviews. A total of 232 written submissions were received from businesses in the Darlington BID area, and face-to-face interviews were held with 50 business owners and

managers, selected at random, to get a more in-depth understanding and use this to inform this new proposal to renew and refresh the town’s BID.

The most common points are summarised below using some of the actual comments:

What are the challenges?	The positives?	The priorities for business?
<p>“Footfall has fallen so we are looking to re-locate”.</p> <p>“people are just not aware of what Darlington offers – need to sell ourselves better”.</p>	<p>Darlington town centre has a growing mix of retail, leisure and events.</p>	<p>Competitive town centre where customers are increasingly aware of what the town centre offers and choose to go there for shopping, services, leisure and events.</p>
<p>“price of parking doesn’t encourage people to come into Darlington”.</p> <p>“it’s still a challenge to persuade people to change their shopping habits”.</p>	<p>Darlington has a good supply of car park spaces in or close to the town centre.</p>	<p>Convenient and accessible town centre where the price and convenience of car parking and public transport make it as easy as possible for customers to use the town centre.</p>
<p>“We often get incidents of petty crime and public nuisance. The Rangers have been a great addition to the town centre – quick to respond and reliable”.</p>	<p>Darlington is an attractive town where it’s possible with a valuable team working on safety & environmental initiatives.</p>	<p>Clean, bright and customer-friendly town centre where customers feel safe and welcome and anti-social behaviour and unlawful activities are not tolerated.</p>
<p>“BID should do more to save us some money”.</p>	<p>Darlington has a large number and diverse mix of independent businesses that can benefit from money-saving schemes.</p>	<p>Connected businesses participating in schemes with the potential to bring savings and improve viability of their businesses and town centre.</p>
<p>“Sometimes it feels like a curfew has been imposed after 5pm”.</p>	<p>Darlington has a good choice of food and drink establishments.</p>	<p>Civilised town centre in the evenings where customers can feel safe and enjoy the choice of food, drink and entertainment.</p>

2.1 What will it do?

The Darlington BID vision is to create a well-promoted, economically viable, attractive and vibrant town centre that serves its community, visitors, businesses, and others with an experience that encourages them to keep coming back and to stay longer and spend more.

The principal aim of this renewed BID is to build on a growing business partnership whose membership is drawn from the businesses and organisations in Darlington town centre, that is capable of sustaining itself financially.

The BID has a clear purpose to deliver a programme of projects and activities to improve business and trade, as well as bringing forward wider social and economic benefits to the town’s customers, visitors and workers.

For the Darlington BID there are 6 key objectives, all of which aim to improve business and trade in the town centre. These are:

OBJECTIVES	
1.	To market and promote Darlington as a service centre and shopping destination offering distinctive choice of shops, festivals & events, as well as some of the best entertainment, leisure and recreation in the area.
2.	To make access to Darlington town centre hassle-free and good value to visitors throughout the day.
3.	To take pride in Darlington by maintaining a bright, safe and customer-friendly environment that residents can be proud of, and visitors can enjoy.
4.	To promote enterprise in Darlington by maximising the opportunities for businesses to save on their overheads and benefit from economies of scale.
5.	To re-invent evenings out in Darlington by developing the town centre as a friendly environment for people of all ages to enjoy food, drink & entertainment after 5pm.
6.	To continue to build, through the BID, an effective partnership between the town’s businesses, organisations and local authority for the benefit of Darlington town centre.

Darlington BID will fund a programme of projects and activities to address each of the first five objectives and enter into a new operating agreement with Darlington Borough Council to ensure that the BID is contributing to a partnership approach between the town’s businesses and the local authority.

The BID programme for 2017-22 will focus on five project areas, as follows:

PROJECTS	
1.	<p>Promote Darlington</p> <p>This project will be delivered in three parts:</p> <ul style="list-style-type: none"> 1.1 A place marketing & digital media campaign to raise awareness of the town’s offer 1.2 Rewards and incentives schemes to persuade consumers to choose Darlington town centre 1.3 An annual programme of festivals and events to raise the profile of the town

	and what it offers throughout the year.
2.	<p>Access to Darlington</p> <p>This project will be delivered in two parts:</p> <p>2.1 Car parking campaign highlighting discounts and promotions to improve customers' access to better value car parking in conjunction with the local authority, shopping centres and other local suppliers.</p> <p>2.2 Public transport campaign and promotions to encourage more visits to the town centre using local bus services and, where appropriate, connections with rail services.</p>
3.	<p>Pride in Darlington</p> <p>This project will be delivered in three parts:</p> <p>3.1 Team of Rangers to assist businesses, enhance business communications and improve the experience of customers and visitors to the town centre.</p> <p>3.2 Flowers and hanging baskets to add colour and enhance the appearance of the town centre.</p> <p>3.3 Christmas lights to add some sparkle and brighten the appearance of the town centre during the town's busiest period.</p>
4.	<p>Enterprise in Darlington</p> <p>This project will be delivered in two parts:</p> <p>4.1 Collective purchasing using the BID as a means to work collectively to get 'economy of scale' discounts from bulk-buying goods and services that are commonly required by businesses e.g. utilities, telecoms, etc.</p> <p>4.2 Supplementary marketing aimed at bringing forward potential investors or entrepreneurs interesting in finding new business uses for empty units.</p>
5.	<p>Evenings in Darlington</p> <p>This project will be delivered in three parts:</p> <p>5.1 Marketing of the town centre offer after 5pm taking inspiration from the "Alive After Five" campaign developed by the BID team in Newcastle.</p> <p>5.2 Restaurant Week to promote the food and drink establishments in Darlington town centre.</p> <p>5.3 Annual events programme to feature street food markets and other events to draw visitors into the centre in the evenings.</p>

2.1 How much will it cost?

The programme budget is calculated on a 3:1 ratio of expenditure on projects and activities to administration costs. This means that the costs of managing and administering the BID will be approximately 25% of the total costs of delivery, with three-quarters of the budget dedicated to meeting the costs of projects and activities.

The BID management and administration budget is intended to cover necessary expenditure:

- BID levy collection fee paid to the billing authority;
- Accountancy fees, insurance and other fixed costs to ensure that the BID operating company is able to run and complies with all relevant legislation;
- Employment costs of full-time BID Manager and part-time administrator required to research, co-ordinate, develop and manage projects and activities funded through the BID and report to the BID company Board of Directors.

The fee for the collection of the BID levy, is estimated by Darlington Borough Council to be £14,000 per year, based on the existing agreement.

The forecast expenditure plan for the BID term 2017-22 has been calculated using the most current rates data (September 2016) and is summarised below:

EXPENDITURE	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Promote Darlington	92,000	92,000	92,000	92,000	92,000	460,000
Access to Darlington	18,000	18,000	18,000	18,000	18,000	90,000
Pride in Darlington	63,500	63,500	63,500	63,500	63,500	317,500
Enterprise in Darlington	4,500	4,500	4,500	4,500	4,500	22,500
Evenings out in Darlington	6,250	6,250	6,250	6,250	6,250	31,250
BID Running Costs	62,000	62,000	62,000	62,000	62,000	310,000
Billing costs	14,000	14,000	14,000	14,000	14,000	70,000
Contingency 5%*	13,122	13,122	13,122	13,122	13,123	65,611
TOTAL	273,372	273,372	273,372	273,372	273,373	1,366,861
Balance c/f**	87,549	65,662	43,775	21,888	0	

*annual expenditure budgets include 5% p.a. for contingencies.

**balance includes £51,000 carried forward from 2016/17 ring-fenced specifically for Spring 2017 events.

The costs to each business will be proportionate and equitable. The levy rate will continue to be calculated at 1.5% (one and a half percent) of the property's most current Rateable Value at 1 March each year from 2017-2022.

The cost of the BID will reduce in real terms during the 5-year term of this BID proposal. There will be no inflationary increase with any additional costs being met, where practicable, through efficiency savings.

For the smallest business premises with a Rateable Value below £6,500, there will be no compulsory charge for the activities of the BID but voluntary contributions will be encouraged. In the first year of this BID proposal, it is anticipated that more than a quarter (29%) of business premises in Darlington town centre would meet the requirement for exemption for the BID levy because of their small size. By the second year, this is forecast to rise to over a third (34%) of the business premises.

For the majority (85%) of businesses, above the £6,500 threshold and expected to pay the levy, their financial contribution to the BID is forecast to decrease as the revaluation of Rateable Values takes effect in the second year of this BID proposal.

Over 60% of levy paying businesses will be expected to pay a levy that's either equivalent to, or less than, £1.03 per day. This is based on 60.6% of eligible business premises having rateable values of £25,000 or less with levy calculated at 1.5% of RV.

The comparisons below are used to illustrate one of the benefits of businesses working together in large numbers. Although the Darlington BID is a rather formal arrangement, where most businesses can be required to pay, the great advantage is that the financial burden is shared and by spreading the cost the contributions being asked of each individual business are relatively modest.

Rateable Value (RV)	Annual cost @ 1.5% RV	Weekly cost equivalent	Daily cost equivalent
< £6,500	Nil	Nil	Nil
£6,500	£97.50	£1.87	27p
£10,000	£150	£2.88	41p
£15,000	£225	£4.33	62p
£25,000	£375	£7.21	£1.03
£50,000	£750	£14.42	£2.06
£75,000	£1,125	£21.63	£3.09
£100,000	£1,500	£28.84	£4.12
£250,000	£3,750	£72.11	£10.30
£500,000	£7,500	£144.23	£20.60

2.2 How will it be paid for?

The forecast income plan for the BID term 2017-22, also calculated using the most current rates data (September 2016), is summarised below:

INCOME	2017/18	2018/19	2019/20	2020/21	2021/22	Total £
BID Levy	309,921	239,485	239,485	239,485	239,485	1,267,861
Other Funding	0	12,000	12,000	12,000	12,000	48,000
Carried forward from 2016/17	51,000	0	0	0	0	51,000
TOTAL	360,921	251,485	251,485	251,485	251,485	1,366,861

The income required to deliver a 5-year programme of projects and activities within the Darlington BID area will be mostly, but not entirely, drawn from the BID Levy. This will be collected on behalf of the Darlington BID operating company (Distinct Darlington Ltd) by a collection agency, currently Darlington Borough Council, who are the local billing authority.

The BID Levy will be fixed at 1.5% (one and a half percent) of the Rateable Value of each hereditament (business premises). The BID levy will be calculated using the most current Valuation Office Agency data, to be set each year on 1st March. There will be no annual inflation increase.

The income derived from the BID levy is forecast to be at least 20% lower in years two to five as a consequence of the 2017 revaluation of non-domestic rateable properties. The programme of expenditure will be adjusted accordingly.

The Darlington BID area (Map 1) is forecast to include 541 hereditaments, in the first year of this BID proposal (2017/18) with an aggregate Rateable Value (RV) of £20,661,800. The BID levy is expected to raise £309,921 gross in the first year.

In years 2 to 5 of this renewed BID (April 2018 onwards), the number of hereditaments liable for the BID levy is forecast to drop slightly to 506. This will be a consequence of the 2017 rates revaluation and the anticipated increase in the number of small business premises qualifying for exemption from the levy because their premises will have Rateable Value below £6,500. From year two (2018/19) the aggregate Rateable Value is forecast to be £15,965,650. The BID levy is therefore expected to raise £239,485 gross per annum in years two to five of the renewed BID.

Other funding is forecast to add £48,000 to the total budget.

2.3 Who will manage it?

The proposal to renew the Business Improvement District for a further five-year period is being proposed by Distinct Darlington Limited, as the not-for-profit body established to manage the implementation of the BID during its first five-year term (2012-2017).

The board of directors for Distinct Darlington Ltd is currently chaired by Peter Bulmer who, together with the other directors, are representing the levy-paying businesses and organisations of the Darlington BID and held to account through the membership of the BID.

Distinct Darlington Ltd employ a BID Manager and a marketing & administration assistant, as well as a Head Ranger and two Rangers, making up a BID team dealing with the day-to-day delivery of the BID's business activities.

Darlington BID will continue to be implemented through the BID operating company (Distinct Darlington Ltd). This not-for-profit body is a company limited by guarantee with a board of directors drawn from, and representative of, the diverse business and organisational interests within the BID area. All businesses eligible to vote in the BID ballot will be invited to nominate themselves or other eligible persons to be considered for directorship of the BID company, and oversee the delivery of the BID in the coming years.

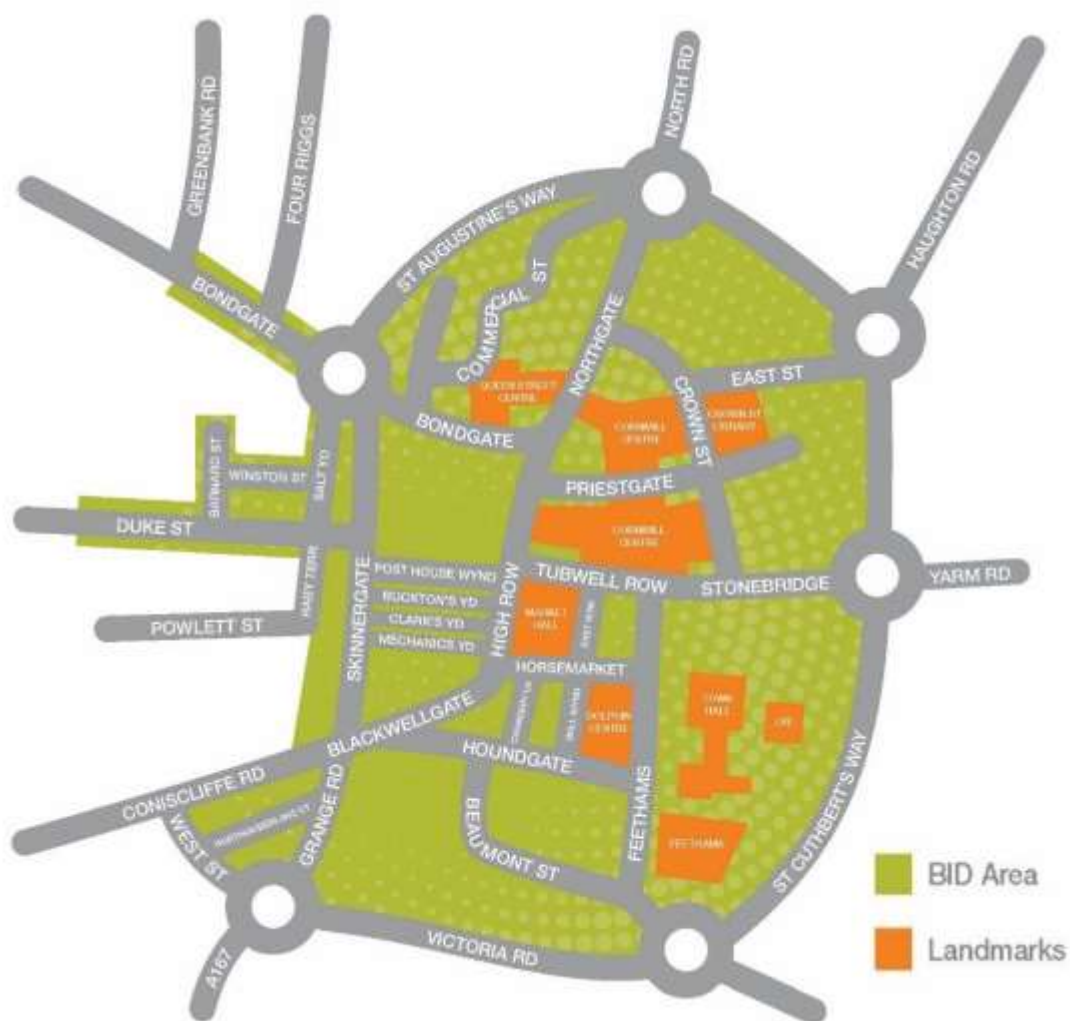
The BID levy will be collected on behalf of Darlington BID by a collection agency, currently Darlington Borough Council. In compliance with the Business Improvement Districts (England) Regulations 2004, the levy funds will be placed into a ring-fenced 'Revenue Account' and transferred to the Darlington BID operating company (Distinct Darlington Ltd) for the purposes of delivering the Darlington BID business plan 2017-2022.

2.4 How will we know if it's working?

The performance and effectiveness of the BID will need careful monitoring to ensure that BID levy payers can see how their money is being spent throughout the 5-year term. Distinct Darlington Ltd will use a toolkit of key performance indicators to monitor and review progress, using the information to make adjustments and re-allocate resources between the budget headings where there is a sound business case to do so.

2.5 Who will be included?

The BID will continue to focus on Darlington's central retail & commercial district including much of which is considered to be the town centre, mostly bound by the ring road with the inclusion of spurs along parts of Bondgate and Duke Street.



3. Your money, your BID, your decision

3.1 Who will be eligible to vote?

A ballot will be conducted through a confidential postal vote. Ballot papers will be sent to all persons entitled to vote, defined as Non-Domestic Ratepayers for hereditaments within the defined Business Improvement District (Map refers) where the Rateable Value of the property is £6,500 and above, and who are ratepayers on the day of the publication of the 42 days' notice of the BID ballot.

Where a person has more than one hereditament within a BID area, that person will get a vote for each hereditament. A proxy vote is available and details will be sent out with ballot papers.

3.2 Who will be required to pay?

A levy of 1.5% (one and a half percent) of the Rateable Value of a property will be charged to each qualifying ratepayer using the most current Non-Domestic Ratings list to calculate the amount payable.

The BID levy rate will be set on 1 March 2017, and thereafter on the 1 March for each subsequent year, with the levy rate calculation based on the most current Non-Domestic Ratings list. The BID levy will therefore be subject to the general revaluation of all properties from 1 March 2018. The BID levy rate calculated for each individual hereditament may also be updated as a consequence of changes in ratepayer, appeals, additions or removals.

The BID levy will have to be paid by any new ratepayer occupying any existing hereditaments within the BID area (Map refers) up until the end of the five-year term, even if they did not vote on the BID proposal. Likewise, any new rateable premises (hereditament) created during the lifetime of the BID will be liable for the BID levy, subject to those premises being wholly within the BID area boundary and not qualifying for exemption. If a ratepayer occupies premises for less than one year, the amount of BID levy payable will be calculated pro rata on a daily basis.

The BID levy will not be payable for the first three months that a property is empty; this is extended to six months for industrial premises such as warehouses, factories, distribution centres. Thereafter, the full BID levy will apply regardless of changes of ownership/tenant.

If a property becomes occupied and the period of occupation is less than six weeks, the occupation period is disregarded when determining eligibility to the three/six months of exemption. This means that no further three or six-month exemptions are allowable if the property has been occupied for less than six weeks.

The BID levy will not be affected by the Small Business Rate Relief or Charitable Rate Relief schemes and businesses who already pay service charges to landlords will not receive any discount. The registered business ratepayer will be entitled to vote and also obliged to pay the BID levy with no void period.

Where any of the following criteria applies the relevant hereditament will be exempt from the requirement to pay the BID levy:

- i) Premises that are occupied wholly or mainly by a charity and have no commercial or trading income.
- ii) Premises that are occupied wholly or mainly by clubs and societies that are not-for-profit and have no other means of income other than voluntary subscriptions.
- iii) Premises with rateable value of less than £6,500.

3.3 How long will it last for, and could it be changed?

Subject to a favourable vote, the renewed Darlington Business Improvement District will commence on 1 April 2017 and will last for a period of 5 years. To extend this period requires a further (“renewal”) ballot and this would be subject to the same regulations including the requirement to secure a majority vote in favour of any such proposal. There are currently no limits on the number of renewals.

The Darlington BID area and the levy rate calculation based on 1.5% of rateable value cannot be altered without an alteration ballot. However, the BID projects, costs and timescales may be altered from time to time, and as may be necessary, provided that such alterations are subject to a majority decision by the Board of Directors of the Darlington BID operating company, and further that such changes fall within the income of the BID and do not compromise the fulfilment of the BID’s aims and objectives, as stated in the BID business plan 2017-2022.

3.3 What happens if I vote NO?

A simple yes or no decision will determine whether Darlington’s businesses build on the progress and investment made in the first 5 years, or to bring this business-led initiative to an end. The decision will come down to each individual’s assessment of the benefits and relative merits of the initiative.

To vote no is to reject the proposal for a new 5-year programme investing £1.3m in projects and activities designed to deliver a thriving town centre. It will mean the end of an initiative that has made good progress and undoubtedly had a positive impact on the town centre through the investment of £1.5m over the last 5 years. The fact that the BID has operated in a particularly challenging period ought to be factored in; also, the likelihood that public services and publicly-funded investment in the town centre will be cut regardless of the outcome of the BID ballot.

By not continuing with the BID, many businesses will make a small saving. With no levy to pay on top of the other bills, some will be able to use that saving to buy an extra cup of coffee each week. Some might even save enough to pay for a newspaper advert once a year, but few will be able to make the case that the BID levy was an unreasonable amount to pay for a programme of varied activities that would not have happened without the BID.

In economics the term opportunity cost is used to refer to the value of something that must be given up to acquire or achieve something else. To vote no is to value the cup of coffee, or a single newspaper advert more than the value of 500 plus businesses working together to invest £1.3m in the local economy; stimulating more trade, more business and, in all probability, opening doors to many more benefits that go far beyond the power of each payment individually.

3.4 Why should I vote YES?

One of the standout benefits of the BID is having a town centre initiative run by businesses, for businesses. The businesses of Darlington have already created a BID with a budget that can deliver what they have asked for. Having a BID has meant a significant step forward from the days when the concerns and priorities of businesses were overlooked or dismissed due to lack of funding. The BID has removed the need to go with a begging bowl to government or the Council and endure lengthy decision-making processes for a little bit of money to make something happen on an intermittent basis. The BID in Darlington has changed all that.

Having a BID means that there is a sizeable budget to deliver key projects throughout the year, but there is growing evidence that it is also beginning to exert real influence on the planners and decision-makers that will shape the future of Darlington town centre in the long-term. Like other town and city centres across the UK, Darlington must adapt to changing consumer behaviour and compete with the increasing choices for retail, leisure and office space. At the very least the town centre must hold its own against the increasingly well-organised competition from retail parks and neighbouring towns. As well as the funds raised through the levy, the BID also provides the businesses with a valuable tool for improving communications across 800 plus businesses and to exert a positive influence on the decisions that will affect their futures and that of the town centre.

The BID may have started in 2012, as one of the first in the region, and spent almost 5 years delivering on the priorities set out in the original business plan, but only recently has the BID been demonstrating its real potential to become the catalyst that's needed to bring about real and lasting improvements and develop a profitable retail destination that people want to visit. This new BID term, proposing to introduce a further 5 years of investment, will build on the platform that is now in place. A further £1.3m of investment will provide a much-needed stimulus to ensure that Darlington town centre is well-placed to maximise the opportunities that lie ahead.

Reasons why businesses should vote YES include:

Adding value – delivering projects, services and activities that will not happen without a BID

Crucial –no alternative to the investment from a BID; council cannot replace it

Headway - – making progress is essential to maintain competitive advantage over neighbouring towns/cities

Investment – 500+ businesses will collectively invest a further £1.3m to improve business

Enterprising – the BID will continue to be run by local business people

Voice – the BID is a significant voice with growing influence on matters affecting business

Economies of scale – achieving more for less simply by working together makes sense.