

Manchester City Council Report for Resolution

Report to: The Executive – 19 October 2022

Subject: Heart of Manchester Business Improvement District (HoM BID)

Report of: Strategic Director – Growth & Development and Deputy Chief Executive and City Treasurer

Summary

This report outlines proposals for the new Heart of Manchester Business Improvement District. The Executive are asked to confirm that the proposals do not conflict with Council policy. They are also asked to put in place arrangements for the Chief Executive (as Ballot Holder) to hold the Heart of Manchester Business Improvement District ballot.

Recommendations

The Executive is recommended to:-

1. Note the receipt of the new Heart of Manchester Business Improvement District 2023 – 2028 proposal from the BID proposer, the Heart of Manchester BID Company Limited (Company Number 08422906)
 2. Confirm that the proposals do not conflict with any policy formally adopted by, and contained in a document published by, the Council.
 3. Delegate to the Deputy Chief Executive and City Treasurer the authority to instruct the Ballot Holder to hold the HoM BID ballot.
 4. Note that if the BID is approved, The Deputy Chief Executive and City Treasurer will be responsible for collecting the HoM BID levy in accordance with the BID arrangements.
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Wards Affected: Deansgate & Piccadilly

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The growth of the visitor economy within the regional centre will provide the opportunity for the sector to further support the prioritisation of active and sustainable modes of transport. The proposal also provides the opportunity to align with the city's active travel aspirations, continuing to provide attractive and safe walking and cycling infrastructure for visitors to the city.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

The Heart of Manchester BID is a proposal for The BID body (Heart of Manchester BID Ltd, an independent company limited by guarantee) to provide services as outlined in the HoM BID Proposal. A formal consultation process for the new BID took place at the beginning of 2022, with further consultations and open meetings run throughout 2022 (on and off-line) to ensure inclusion in the decision-making process and support for the proposals.

It has been considered that the proposal does not impact any protected or disadvantaged groups.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
<p>A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities</p>	<p>The Heart of Manchester (HoM BID) proposal would further develop Manchester’s performance as a leading visitor destination of choice, for both work, business and leisure tourism.</p> <p>The HoM BID would seek to enhance the HoM BID footprint area, increasing footfall, supporting the city centre retail, employment and tourism offer to realise its full potential and enhancing the visitor experience for those travelling to the city.</p> <p>The HoM BID proposal will support Manchester’s Economic Recovery and Investment Plan, enhancing the BID area supporting economic growth.</p>
<p>A highly skilled city: world class and home grown talent sustaining the city’s economic success</p>	<p>Strengthening the city centre offer will safeguard the jobs of those employed within the city, in addition to supporting further investment which will create additional new employment opportunities for residents</p> <p>HoM BID proposes to develop and produce events, within the footprint of the BID area, aimed at attracting footfall to the city centre.</p>

<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>The aspiration of the HoM BID is to strengthen the city centre offer, which in turn has the potential to stimulate further investment, economic activity, and job opportunities for local residents within the regional centre.</p> <p>HoM BID events would recognise the diversity of residents and visitors, promoting equality, diversity and inclusion through events designed to celebrate the cultural capital of Manchester.</p>
<p>A liveable and low carbon city: a destination of choice to live, visit, work</p>	<p>The HoM BID proposal would enhance the physical environment through cleansing and operational support within the footprint of the HoM BID area, improving the visitor and resident experience within the city centre.</p> <p>The HoM BID would respond effectively to the climate emergency through work with levy-payers in line with aspirations for Manchester to achieve Zero Carbon by 2038.</p>
<p>A connected city: world class infrastructure and connectivity to drive growth</p>	<p>The city centre is an accessible destination that is well connected locally, regionally, and internationally.</p> <p>The aspiration of the HoM BID is to enhance the HoM BID footprint area within the city centre including the city welcome and overall visitor experience. City Hosts provided by HoM BID help to direct people around the city, promoting active travel, enhancing the walkability and connectivity to other areas of the city centre.</p>

Full details are in the body of the report, along with any implications for:

Equal Opportunities Policy

- Risk Management
- Legal Considerations

Financial Consequences – Revenue

If the HoM BID is approved, the Council’s Revenue and Benefits Service will undertake the administration and collection of the levy. Any costs incurred for the administration and collection will be met by the Heart of Manchester BID Company Limited.

The cost for holding the ballot will be funded by the Heart of Manchester BID Company Limited.

There will be no direct financial support required from the City Council.

Financial Consequences – Capital

None

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Background documents

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the officers above.

None.

1.0 Introduction

- 1.1 In recent years the city centre, as the region's economic hub, has undergone transformational regeneration and benefitted from significant inward investment. This has underpinned Manchester's development as a leading international city to live, work, study and visit.
- 1.2 Footfall figures for the week commencing 26th September 2022 shows that in the city centre footfall was down 27.53% against the 2019 baseline, demonstrating that the Covid-19 pandemic continues to have a residual impact on the city centre. Intervention is needed to promote the economic resilience of the city.
- 1.3 This proposal relates to the third City Centre BID, to run from April 2023 for five years. It is focused on both the retail and office sectors (whereas its predecessor BIDs focused solely on retail).

2.0 HoM BID Proposal 2023-2028

- 2.1 In July 2012, a ballot was held to create Manchester's first Business Improvement District (BID) focused on retail. The ballot was successful, and the Manchester BID commenced operations in April 2013. The BID was created as a new not-for-profit company with an independent board. It covered 380 businesses in the core of the city centre, bringing together retail, food and beverage and related services. The initial BID lasted for five years, and after a period of consultation with key stakeholders and the existing BID members, a new proposal was approved for the second city centre BID to run for five years, from April 2018 until April 2023.
- 2.2 Following collaborative discussion, and consultation with the existing BID community and key stakeholders, the Heart of Manchester BID Company Limited, submitted a proposal for the third City Centre BID. The new HoM BID will now be focused on both retail and office, have an extended boundary and is proposed to run from April 2023 for five years. A copy of the BID proposal, which includes a map of the proposed BID area and a street list, is contained in the Appendix to this report.
- 2.3 Legislation allows for a BID to be set up once a vote (a "BID ballot"), with a majority in favour (both in terms of number and collective rateable value), has taken place. If approved in the BID ballot, the proposed HoM BID would be managed by an independent BID body, Heart of Manchester BID Ltd (a company limited by guarantee).
- 2.4 **Services to be provided:** The BID body will provide the following services:
 1. Events: developing and producing events within the footprint of the BID area, aimed to attract footfall to the city centre.
 2. Marketing: promote the city centre as a place to work, visit and shop.

3. Hosting Team: manage a team of city centre ambassadors providing a 360+ day service to visitors to the city centre.
4. Cleansing and operational support: provide a programme of cleansing services additional to those provided by statutory bodies. This is to include litter-picking, street cleaning and 'greening' (flower planting and maintenance).
5. Intelligence: maintain a range of data collection services, including on footfall, sales and dwell time within the city centre.
6. Environmental and Social projects: work with levy-payers to support charitable and supportive work in the city centre and to respond effectively to the climate emergency.

All BID services will be additional to the range of baseline services provided by Manchester City Council within the city.

2.5 HoM BID Geographical Area: The area to be covered within which the proposed BID arrangements are to have effect is shown in the map that is included in the BID proposal contained in the Appendix.

2.6 Business within scope of the HoM BID area liable for BID Levy: Liability for the BID levy will only arise in respect of hereditaments that are identifiable by the relevant billing authority as within the following VOA classifications and have a rateable value of £40,000 or more and are within the geographic boundary defined as the BID area:

- a. Bank and Premises
- b. Café and Premises
- c. Car Park and premises
- d. Food Court and Premises
- e. Kiosk
- f. Kiosk and Premises
- g. Leisure Centre and Premises
- h. Offices
- i. Offices and Premises
- j. Office, workshop and premises
- k. Public House and Premises
- l. Restaurant and Premises
- m. Shop and Premises
- n. Wine bar and premises

2.7 Calculation of the BID levy:

1. The levy rate to be paid by each hereditament is to be calculated as 1.7% of its rateable value as at each 'chargeable day' (1st April each year).
2. Hereditaments in Manchester Arndale without external frontages and ALL office premises (i.e. those within the class Offices') will pay a levy rate of 1.5 % of their rateable value. Charitable organisations, which receive

mandatory relief on their business rates, will have their levy reduced to 1% of rateable value. No other discounts or reductions shall apply.

3. Only properties or hereditaments with a rateable value of £40,000 or more will be eligible for payment of the BID levy. The maximum amount payable (the 'cap') in respect of any single hereditament will be £32,000 per annum.
4. After the full second year of operation, and annually for the remainder of the BID term, a flat rate increase of 2% per year will be applied to all levy rates, and to the cap. So, for example, in year three the levy rates would be 1.72%, and 1.52% and 1.02% and the cap would be £32,640.

2.8 Financial management arrangements between HoM BID and Manchester City Council: An Operating Agreement is in place between Manchester City Council and Heart of Manchester (BID) Ltd to cover the management of financial information between the two bodies, the transfer of funds, etc. It is anticipated that this agreement will be renewed, should the BID proposal be approved in the BID ballot.

3.0 The BID Ballot

3.1 The HoM BID proposal has been submitted to the Council by the BID proposer, along with a formal notice requesting that the Council (as the relevant billing authority) instruct the Ballot Holder (i.e. Manchester's Returning Officer) to hold a BID ballot. If a BID proposer sends the Council BID proposals (and other required information) that meet the relevant legislative requirements (in particular, Regulation 4 and Schedule 1 of the Business Improvement Districts (England) Regulations 2004 (the "BID Regulations"), along with the notice referred to above, the Council must (under Regulation 5 of the BID Regulations) instruct the Ballot Holder to hold a BID ballot. It is proposed that authority to instruct the Ballot Holder is delegated by the Executive to the Deputy Chief Executive and City Treasurer.

3.2 If the Ballot Holder is instructed to hold a BID ballot, it is anticipated that the ballot will be conducted as follows:

- The day of the ballot will be Monday 12th December 2022, with the ballot period formally starting upon publication of the Notice of Ballot on Monday 31st October 2022.
- Relevant non-domestic ratepayers will be entitled, in respect of each of their hereditaments within the HoM BID area for which they would be liable for the BID levy, to one vote each in respect of the proposal.
- Civica Election Services, acting on behalf of the Ballot Holder, will dispatch ballot paper packs by post, to in scope non-domestic ratepayers by no later than Monday 14th November 2022. The ballot will close at 5pm on the 12th December 2022. Ballot papers received after 5pm on 12th December 2022 will not be counted.
- The result will be declared as soon as possible. For the proposal to be successful, the result will need to meet two statutory criteria which are:

- (a) of those ballots returned by the close, those voting in favour of the proposal must exceed those voting against it; and
- (b) of those ballot papers returned by the close, the total rateable value of those properties which vote in favour of the proposal, must exceed the total rateable value of those voting against. If most of the businesses vote 'yes,' both by number and by the collective rateable value, Manchester HoM BID will begin on April 1st, 2023, for a 5-year term.

4.0 Recommendations

4.1 The recommendations are set out at the front of this report.