



## Consultation Document regarding the future of the Hexham Business Improvement District (BID)

**14th February 2018 - 14th March 2018**

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# Northumberland County Council Consultation regarding Hexham Business Improvement District (BID)

## 1. Purpose of the Consultation

- To provide all levy payers subject to the Hexham BID an opportunity to comment on the organisation's future
- To find out whether you think the Hexham BID should continue, and if so in what form it should continue, or if it should be terminated
- To identify your views, queries, comments and concerns regarding the operation of Hexham BID to date
- To identify your priorities in ensuring Hexham is a successful town

This consultation on Hexham BID will be carried out with the following audiences:

- Businesses subject to the Hexham BID levy

**The Consultation period will be carried out for one calendar from Wednesday 14th February 2018 and will close on Wednesday 14th March 2018.**

Hexham Business Improvement District has operated since October 2016, following a successful ballot of local businesses in February 2016. In December 2017 The Hexham BID Board, gave notice to the County Council of their intention to resign and terminate the BID arrangements.

Prior to their resignation it was the Board's responsibility to undertake a consultation, as legislatively required by the national BID regulations 2004, with businesses subject to the BID levy, regarding their proposal to terminate the BID.

The Board's resignation took effect from 4th February 2018 and as there has not been a consultation on the proposal to terminate the BID the County Council now want to find out what the views are of all businesses subject to the Hexham BID levy prior to any action being taken. In the meantime the BID company still exists although it cannot currently operate without a Board of Directors.

Within this document we have included background about Hexham BID and links to the organisation's website [www.hexhambid.co.uk](http://www.hexhambid.co.uk).

This consultation document asks a number of questions regarding the future of the BID arrangements. You can submit your response to this consultation online. Should it be required, you can also return consultation responses by post or email by contacting us.

Once the consultation has been completed there will be a report produced and published, outlining the responses received, and explaining what is recommended as a result.

We also expect there may be a number of suggestions, responses and queries that we cannot answer as they are the responsibility of Hexham BID Company. These will be acknowledged and comments made where the Council is able to do so. The report will be available online and all businesses subject to the BID levy will be notified of its publication.

### **Public Meeting**

The Consultation report will be presented to a public meeting on:

- **26th March from 5-7pm (5pm registration/refreshments, meeting commences at 5.30pm)**
- **Beaumont Hotel, Beaumont Street, Hexham, NE46 3LT**

Details of how to register online to attend the meeting will be included in letters to consultees. At the meeting businesses subject to the BID levy will have the opportunity to discuss the report and consider the way forward.

Following the public meeting The Council will then work with the BID Company's membership to ensure that the views expressed through this process are addressed.

## **2. The role of Hexham BID Company**

It is important to state that the purpose of this consultation is to give all businesses subject to the Hexham BID levy the opportunity to input to the future of the BID arrangements.

Whatever the outcome of this consultation, to enact any changes to the arrangements, including closure, the Hexham BID board needs to be re-established.

As the Board have resigned, the responsibility for re-establishing the company lies with the BID Company's existing membership. There is a process required under company law which must be undertaken to re-establish the Company's Board.

The County Council has provided advice by letter to the current membership of the BID Company notifying them of this consultation process. The County Council has offered to assist members in re-establishing a Board to ensure there is a functioning company able to respond to the findings of this consultation.

## **3. The role of the County Council**

**BID Arrangements Consultation** - NCC's role, is to ensure that statutory requirements are met regarding the future of the BID arrangements principally that a proper consultation is undertaken as set out in this document.

### **Hexham BID Company Ltd**

Hexham BID Company Ltd is a legally constituted organisation introduced following a democratic ballot process. Whilst the Board of Directors has resigned the company still exists and its membership (the membership of the Company is made up of businesses subject to the levy who applied and were accepted as members prior to the Boards resignation) is in place.

The County Council cannot and will not take over the BID. NCC has previously stated that the establishment and operation of a BID is for local businesses to determine. In order to resolve the future of the organisation, the re-establishment of the Company is needed to be able to respond to the outcome of this consultation.

As such NCC officers are available to assist members of the BID Company in resolving the current situation in the best interests of all businesses in Hexham. NCC has written to all members of the BID Company Ltd to offer this assistance.

**Levy Collection** - The County provides levy collection services to Hexham BID Company Ltd. The Hexham BIDs accounts hold BID levy funds collected by Northumberland County Council on the BIDs behalf. Levy Collection services for Hexham BID company Ltd by Northumberland County Council are currently suspended and no levy bills will be issued pending the outcome of this consultation.

Under the terms of the operating agreement between NCC and Hexham BID the County Council has transferred £307,226 to date to Hexham BID, funding which will have been used partly to fund the BIDs operational and project delivery costs. It is the County Council's understanding that there is a surplus in the accounts, particularly as a number of capital projects such as the proposed town wide signage scheme planned by the BID has not been delivered yet as the project has been undergoing a feasibility study. The amount of funding remaining with the BID cannot be confirmed until the BID Company is operational again.

### **Termination Procedures**

If after consultation, it is agreed to maintain the BID Company, the funds which remain would be used to continue the delivery of the BID projects. However, should the BID be terminated, it is the County Council's role to seek to recover this funding and undertake the required legislative processes to consider any crediting or refunding of BID Levy monies to previous levy payers.

#### 4. KEY DATES

<b>Action</b>	<b>Date</b>
Press Release notifying of intent to undertake consultation	Monday 5th february 2018
Issue press release notifying that consultation is open	Wednesday 14th February 2018
Letter issued to levy payers first class by post notifying that the consultation is open and how to respond	Wednesday 14th February 2018
Consultation opens	Wednesday 14th February 2018
Consultation closes	Wednesday 14th March 2018
Consultation Report published online and letter sent to all consultees with a summary of the outcome of the consultation, a link to the consultation report online and re-confirm the details of the public meeting	Monday 19th March 2018
Press Release setting out the outcome of the consultation	Monday 19th March 2018
Public Meeting to discuss outcome of consultation and next steps	Monday 26th March 2018, 5-7pm, Beaumont Hotel Registration / refreshments from 5pm, meeting commences at 5.30pm



**PLEASE NOW READ THE INFORMATION BELOW AND THEN COMPLETE THE CONSULTATION SURVEY ONLINE. SHOULD YOU REQUIRE A PAPER COPY TO COMPLETE OR ANY OTHER ASSISTANCE IN PARTICIPATING IN THIS CONSULTATION PLEASE CONTACT US**

**5. Summary of consultation**

A consultation with all businesses subject to the Hexham Business Improvement District (BID) levy is being undertaken, to determine the future of the BID company.

This follows the resignation of the Board of Directors of Hexham BID on 4th February 2018 who proposed terminating the BID arrangements. Without a Board the BID company is not currently able to operate effectively.

National BID regulations indicate that a consultation should be undertaken with all levy payers, a process that was not conducted by Hexham BID Company prior to the Board's resignation. As such, the council has determined that it will launch a consultation process to determine the future of the BID as set out in this consultation document.

The intention in undertaking this consultation is to ensure that all businesses subject to the Hexham BID levy can have their say. The County Council wishes to work with all stakeholders on the basis of the consultations findings. Whatever the future is for this initiative we hope that the business and civic community can find ways to work together positively to ensure Hexham is successful in the future. As such this consultation also provides an opportunity to note how you think Hexham could be improved in the future.

**Principles and limitations of the Consultation**

- This consultation is being undertaken in an open and transparent manner, the County Council is consulting all levy payers, and then calling a public meeting to discuss the findings.
- It is important to state that Northumberland County Council cannot and will not take over the Hexham BID. This can only operate with the support and involvement of the local business community.
- The County Council is not responsible for the BID Company and cannot re-establish it, as the Board of Directors have resigned this responsibility lies with the existing members of the BID Company.

- We have advised the existing members that we are undertaking this consultation exercise and recommended steps needed in respect of the company's governance and operation in the meantime;
- The outcome of the consultation will be presented at a public meeting which the Council will organise allowing for discussion amongst levy payers on the the best way forward. This will not be a council decision and a decision will not be made at the meeting.
- This consultation cannot resolve questions and queries which directly relate to the operations of Hexham BID Company, as the company is not operating it may not be possible to respond however where possible we will do so.
- This consultation and the public meeting that will follow is not being undertaken by the BID Company Ltd. It will not be the case that the consultation findings or the public meeting will directly result in the BID company either continuing or being terminated.
- However on the basis of this process the Council will work with the BID Company's members to seek to enact the findings of the consultation process.

#### **Who can participate in this consultation?**

- This consultation is in regards to Hexham Business Improvement District (BID). An initiative introduced following a ballot of eligible levy paying businesses within the defined geography of Hexham as set out in the Hexham BID Business Plan. As such those being consulted are the levy paying businesses subject to the BID.
- You can participate in this consultation if you are a liable party (business) for a property (also described as a hereditament or assessment) subject to the Hexham BID levy registered on the County Councils rating list subject to the Hexham BID Levy as at Friday 9th February 2018.
- There is no other basis upon which to participate in this consultation and any forms returned from any other party will be discarded.
- The consultation is not a vote and the rateable value of a property is not a factor, its purpose is to garner views from levy payers. There will not be a vote at the public meeting.
- The County Council will not be submitting a response to the consultation as a levy paying business.
- When responding to this consultation you will need to verify the Hexham BID levy account number listed on the letter you received regarding the consultation. Instructions are set out in the letter you have received.



- This account number will be verified against the councils records. Any duplicate responses will need to be clarified with the respondent/s and as such may not be included in the consultation findings.
- Your account number is confidential information and should not be shared with other parties.
- We will anonymise responses and provide summaries of the information provided. We may summarise information in a number of ways which may include geographical, business class and thematic (e.g. issues set out in the consultation response) information.

## 6. Context

### What is a BID

A Business Improvement District (BID) is a precisely defined geographical area of a town, city, or commercial district where business ratepayers are invited to vote to invest collectively in local improvements that are additional to those currently provided by local government.

Business ratepayers are asked to vote on an additional levy that, if supported, will be collected to a ring-fenced account and then used to finance the delivery of projects, services and activities detailed in the BID Proposal and Business Plan. In practice BIDs are business-led initiatives which operate under government legislation that gives local businesses the power to raise their own funds to spend on their priorities in order to improve their trading environment. There are over 280 BIDs nationwide, further information about BIDs is available at:

<https://www.gov.uk/guidance/business-improvement-districts>

### Hexham BID Background

The Hexham Business Improvement District (BID) ([www.hexhambid.co.uk](http://www.hexhambid.co.uk)) was established following a 9 month process of development, consultation and engagement in Hexham in 2015. A successful ballot of local businesses was announced in February 2016 following a four week postal ballot. The results were as follows:

- Hexham businesses to introduce a new Business Improvement District or BID in February 2016. Of those who voted, 82% by rateable value and 66% by number of businesses were in favour.
- This result was verified and declared by UK Engage Ltd, Northumberland County Councils independent election agent on 18th February 2016.
- A total of 232 businesses voted out of an electorate of 646 businesses resulting in a turnout of 36%.
- This was a democratic process and followed over a year of development and consultation in the town with a wide variety of opportunities to get involved and shape the proposals.
- Every eligible business property was sent a notice of ballot and a ballot pack including a business plan and voting forms.

- The process met the requirements of British BIDs who provided a Government backed loan to develop the BID

An appeal was made to the Government regarding the ballot result. The Secretary of State for Communities and Local Government found no evidence of any material irregularity that would call into question the ballot outcome and upheld the result of the ballot. The outcome of the appeal process was announced in September 2016.

### **Hexham BID Operation October 2016 onwards**

Hexham BID began operating in October 2016 for a period of four-and-a half-years following the appeal outcome. The BID was established as a not for profit company limited by guarantee funded by business for business and its role is to support the Hexham business community to thrive and grow.

Hexham BID developed a range of projects from October 2016 - Dec 2017 working with businesses and stakeholders to enhance the town centre and industrial estates. The organisations objective is to deliver new projects and services and act as a collective business voice on major developments.

The BIDs programme included short term and longer term revenue and capital schemes as set out in the BID Business Plan. As such during the organisations operation to date some projects have been launched whereas others remain at the scoping stage.

The BID is led by a Board of Directors (who have now resigned), voluntary roles drawn from the local business community (a Board member must be a representative of a levy paying business). It is possible for levy paying businesses to register as members of the BID, and the membership is currently composed of those businesses registered and accepted by the Board prior to their resignation. The BID employed a Manager and project officer.

### **Hexham BID Business Plan**

The Hexham BID Business Plan details the planned activity by the organisation against a series of key themes as follows:

#### **Key themes**

- 1. Access and signage:** Businesses told us they want improved signage in the town centre, entrances, commercial and industrial locations. The BID will deliver improvements and work on other areas like traffic flow and car parking.
- 2. Doing business better:** The BID will organise networking events, training schemes and mentoring to support businesses across sectors. There will be support for new business start-ups, inward investment and improved trading facilities.

**3. Marketing:** Digital technology solutions will be developed to boost trade, including web-based resources and ‘shop local’ campaigns. The existing strong events calendar will be bolstered and added to increasing footfall and visitor spend. The quality and offer of the markets in the town will be enhanced.

**4. The Hexham experience:** Hexham is a great place, new BID investment will make it even better making commercial and industrial areas more attractive, cleaner and tidier.

**5. Business-led:** The BID is business-led, ensuring businesses will have a stronger input into decisions and developments.

The BID Business Plan provides further detail at [www.hexhambid.co.uk](http://www.hexhambid.co.uk)

### **BID levy rules**

The BID Business Plan set out the BID levy rules. The BID is financed through a compulsory levy applied to approximately 680 businesses within the BID area.

The levy is based on the commercial value of an eligible property and is calculated as a percentage of its rateable value. The levy charge was been set at 1% of the Rateable Value (RV) of the business premises or a fixed charge of £200 for properties with a RV of less than £20,000.

The geography of the Hexham BID was also established in the Business Plan as encompassing the whole of the town of Hexham.

The Business Plan can be accessed at: [http://www.hexhambid.co.uk/docs/Hexham\\_BID\\_Business\\_Plan\\_Low\\_Res.pdf](http://www.hexhambid.co.uk/docs/Hexham_BID_Business_Plan_Low_Res.pdf)

### **BID activity October 2016-December 2017,**

The BID stated at its first Annual General Meeting in November 2017 that 21 projects were live delivering against the organisations Business Plan. This included:

- **Signage: scoping and design which was proceeding to the planning application stage prior to delivery**
- **Christmas lights and projections - enhancing the existing Town Council provision**
- **Marketing: Visit Hexham Website which was launched in December 2017 including business focused services and activity generators**
- **Digital Strategy: networking and the #Love Hexham campaign which included monthly events, online forums and social media campaigning**

Information updates about the BID Company’s activities is available at [www.hexhambid.co.uk](http://www.hexhambid.co.uk). The BID Company issued monthly e-newsletters, social media, and PR about the town and the BIDs activities. The BID was organising regular project based meetings and business visits.

## 7. Consultation Questions

### Consultation Question 1. The Future of Hexham BID Company Ltd

The previous Board members of Hexham BID notified the Council that it wished to terminate the arrangements, they then resigned and the Hexham BID Company cannot currently operate. The re-establishment of the company depends on the members of the company.

Given that the BID Board did not undertake any consultation with levy payers, as required by legislation, the Council needs, therefore, to determine on what basis the Hexham BID Company should go forward.

Subject to the consultation outcome the Council will then work with the members of the BID Company to implement the necessary changes. This applies in regard to all of the options set out below.

There are several options that can be pursued subject to the findings of this consultation:

Option		Implications
<b>Option 1 Retain the BID</b>	<b>Option 1a. Retain the existing Hexham BID arrangements and seek improvements</b>	<ul style="list-style-type: none"> <li>● Request that the company be re-established and that it makes the necessary changes to ensure it responds to feedback received through this consultation process.</li> <li>● A new Board of businesses subject to the levy would have the ability to make amendments to existing governance, membership policy, projects, and communications.</li> <li>● The BID could therefore continue to operate on this basis until March 2021 when a new ballot would be needed to continue for a further 5 years.</li> <li>● Planned investment in projects and support could be revisited and continue as appropriate and preparatory investment in planned activity (e.g. feasibility work for capital projects) would not be lost.</li> </ul>
	<b>Option 1b. Retain the BID and work towards an alteration ballot</b>	<ul style="list-style-type: none"> <li>● Retain the existing Hexham BID arrangements and request that should the company be re-established that it works towards an alteration ballot.</li> <li>● This would lead to changes being proposed in a postal ballot of all current businesses subject to the BID levy.</li> <li>● An alteration ballot could include changes to the levy rules and / or changes to the geography of the BID.</li> </ul>

		<ul style="list-style-type: none"> <li>● A re-established BID company would be required to consult fully on any alteration proposals.</li> <li>● Should the alteration ballot not be supported by the current eligible levy payers then the existing BID arrangements would continue as set out in option 1a. Planned investment and support could continue depending on the result of the alteration ballot.</li> <li>● There would need to be a full options appraisal but as an example an alteration ballot proposal could be to propose a town centre only BID with a 1% levy on all businesses in that geography (and no minimum payment of £200pa as is currently the case).</li> </ul>
<b>Option 2 Terminate the BID</b>	<b>Option 2 Terminate the BID.</b>	<ul style="list-style-type: none"> <li>● End the existing BID arrangements.</li> <li>● The Council would need to work with the existing membership of the BID Company to close the arrangements.</li> <li>● Following the processes required by companies house it may be the case that any residual funding from the BID Company can be refunded to eligible levy payers as set out in legislation.</li> <li>● Any future new BID arrangements would require a full development and consultation process followed by a full ballot process to propose its introduction.</li> </ul>



**Consultation Question 1:**

- Which option would you choose option 1a, 1b or 2?

(Please use the questionnaire provided for your response)

## **Consultation Question 2. Your views regarding the option you have chosen regarding the future of Hexham BID**

This consultation provides an opportunity for you to raise any queries and make comments regarding the option you have chosen regarding the future of Hexham BID. Comments can be positive or negative and relate to any aspect of the organisation's operation.

The purpose in doing so is to provide either:

- Information that may be useful in re-establishing the BID company in relation to the BID continuing to operate as set out in option 1a or 1b.
- Or should the BID be terminated it provides the opportunity to log all issues and look to learn lessons for the future as set out in option 2.

Following the conclusion of this consultation Northumberland County Council will log and record all comments. We will provide comment where we are able to do so in the Consultation Report.

It is important to note that there may be queries that can only be answered by the BID Company Ltd and could only be resolved if the company was re-established.



### **Consultation Question 2:**

- Please explain why you have chosen option 1a, 1b or 2 above in the previous question.

(Please use the questionnaire provided for your response)

### **Consultation Question 3. Your Views on how Hexham can be improved**

This consultation provides an opportunity for you to share any ideas you may have about how the town can be further improved with or without a BID.

We would welcome any ideas and details regarding how you think the town can be improved going forward whether a BID exists or not.

Following the conclusion of this consultation Northumberland County Council will log and record all comments and use this information to inform activity in the future.



#### **Consultation Question 3:**

- Please provide your suggestions as to future activities to benefit Hexham

(Please use the questionnaire provided for your response)



## 8. Submitting your Response

**WEBSITE:** to access the online consultation go to survey and complete and press submit

Website for consultation: [www.northumberland.gov.uk/hexhambid](http://www.northumberland.gov.uk/hexhambid)

## 9. Contact Details

If you need an electronic or hard copy of the survey to fill in or in an alternative format please contact us at the details below. All responses should be returned to the contact below.

Please refer to 'Hexham BID Consultation' in all correspondence.

Janice Rose  
Economic and Inclusion Policy Manager  
Economic and Inclusion Policy Team  
Planning and Economy  
Northumberland County Council  
County Hall  
Morpeth  
NE61 2EF  
Tel (01670) 620307  
Email: [surveys@northumberland.gov.uk](mailto:surveys@northumberland.gov.uk)

