

**Minutes [Meeting of Council, Monday, 1st July, 2019 2.00 pm \(Item 8.\):](#)**

Councillor Colling then provided an update on the Yorkshire Coast Destination Business Improvement District (DBID). Members were reminded that the DBID was a private sector led initiative, and that the DBID concept and funding was never designed to be 'controlled' by local government. Rather, it was about businesses coming together to create sustainable solutions to the management of an area where all relevant businesses paid and benefited. The Borough Council had been invited to be part of the development of the DBID and had been involved in the consultation process. Members had also been given the opportunity to attend two briefings which outlined the process both at the beginning and towards the end of the project. Reports around funding and support had been taken to both the Cabinet and full Council. Some local businesses had lodged an appeal against the ballot result in favour of the DBID. In May the Secretary of State had dismissed the appeal on the grounds it had not attracted the necessary support of at least 5% of businesses. Following concerns raised by businesses, the Borough Council was invited to review all of the consultation data and was satisfied that the DBID company had fulfilled all of its statutory obligations. The Council was happy with the due diligence carried out and that the company had worked in the best interest of the private sector and had followed the BID regulations of 2004. The Borough Council was bound by the same regulations and would join the Board of the DBID company as a stakeholder. In terms of the financial implications for the Council, on 16 May 2017 the Cabinet committed to fund £15k for the set up costs of the DBID company including £6k for running the ballot. The Council contributed a further £1k towards the feasibility study. This funding could not be reclaimed. To date, the DBID company had not required an advance on its levy income from the Council. The Borough Council owned 38 properties with a rateable value of over £12.5k, 32 of which were car parks. The cost in DBID levies to the Council based on values as at November 2018 was £31,158 per annum from a total rateable value of £2,079,300, that is, 2.4% of the total rateable value across the area. In accordance with the BID regulations of 2004, the Council would issue levy bills on 1 August. Any business which refused to pay the levy would be pursued in the same way as if it had not paid business rates. Members then put questions to Councillor Colling about the DBID. Confirmation was sought of the Council's position in light of full Council's resolution on 1 March to set aside all involvement with it until such time as the Secretary of State had determined the appeal. The Council would then consider its position along with the business community and take considered advice. Councillor Colling commented that following the Secretary of State's decision to reject the appeal, the Council had obtained confirmation of its legal position as levy-collector. The Council was required under the 2004 BID regulations to collect the levies on behalf of the DBID company, otherwise the company could take legal action against the Council. Further, the Council was satisfied that the data used by the DBID company in the ballot was legitimate. Asked if the Council would consider invoking the clause in the BID regulations by which the Council could veto the DBID, Councillor Colling commented that this clause only pertained prior to the ballot, and could only be invoked in such circumstances as the DBID proposal conflicted with Council policy or it placed a significant disproportionate burden on certain ratepayers compared to others. Asked by what delegated authority the then Leader of the Council had cast the Borough Council's vote in favour of the DBID, Councillor Colling responded that she understood that the Leader, Portfolio Holder for Corporate Investment, and Director with responsibility for tourism had cast the Borough Council's votes but she would provide a more detailed written reply. Further, the Borough Council was in ongoing dialogue with the DBID company, but as yet no written agreement had been signed between the two organisations. Asked what financial and reputational risks the non-collection of the DBID levy posed to the Council as levy-collector, Councillor Colling undertook to provide a written reply in regard to the financial implications. However, it was the DBID company who retained responsibility for the initiative, and who would have to consider the implications of non-collection for their business plan. The Council as levy-collector with the support of the DBID company would enter into negotiations with businesses which refused to pay, but Councillor Colling would expect bailiffs to be used as a very last resort.