

17 June 2020

The Chairman
Scarborough Borough Council Audit Committee
Council Chamber
Town Hall
St Nicholas Street
Scarborough
YO11 2HG

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Dear Sir/Madam

Report relating to DBID Independent Investigation and the current circumstances

I have been appointed by the Yorkshire Coast Levy Payers Association in connection with the above matter and you will recall that I wrote to you on 16 March 2020 (for ease of reference, I attach a further a copy of my letter).

I appreciate that the Council's consideration of the report has been delayed due to issues relating to Covid and is to be considered by the Council towards the end of June 2020.

If I can take you to the final paragraph of my previous letter, I suggested that in light of the severe deficiency set out in the report that it was incumbent on the Council to hold meetings with the DBID organisation and interested parties to find an acceptable way forward. The regulations provide in regulation 17 to enable the Council if it considers matters to be appropriate to adjust or amend the current scheme.

I would suggest to you that since my previous letter and the Covid outbreak which has caused an effective lockdown of all businesses in your area, that the circumstances in which the future of the DBID proposal should be considered has fundamentally changed.

I do not need to tell you that all of the businesses in your area have effectively been closed from the date of lockdown until a partial re-opening on 15 June 2020.

This will have had the effect of potentially putting several operators out of business and closing their businesses. I am particularly aware of the hotel industry and the devastating effect that the Covid outbreak has had on these businesses.

You will be aware that your Council has a general power to ensure the economic social and environmental well being of its borough and inhabitants in the Local Government Act.

I would suggest to you that in such unprecedented circumstances that, in light of the extra burden the business improvement levy will plan on struggling businesses, there is a need for the Council to carry out a more fundamental review of the current DBID arrangements rather than merely consider the comments of the independent investigator.

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I am sure you will agree that the businesses are operating in a totally different world will need all the encouragement and assistance they can get in order to get back trading and generate income and stimulate the economy of the Borough. In these circumstances, the additional burden of a bid levy on these businesses will be most unwelcome and I suggest it would be very difficult to collect in the current circumstances when businesses are struggling to meet their existing outgoings on top of an additional burden of a bid levy.

The regulations provide that bid arrangements can be altered following a ballot and I would draw your officers' attention to regulation 17 of the bid regulations. It provides the ability for a proposal to alter the bid arrangements to come forward and these are implemented through the bid body and, of course, this would be in consultation with you as the local authority.

I would respectfully suggest to you that in the interest of your duty towards the businesses and inhabitants of the Borough that you exercise your discretion and enter into negotiations with the BID body to explore the possibility of an alteration of the current bid arrangements in light of the unprecedented circumstances that many of the businesses find themselves in as a result of the Covid lockdown.

I would be as bold to say that the Council could possibly consider the termination of the current bid arrangements in light of the issues arising out of the Covid lockdown. Regulation 18 of the BID regulations provides grounds for termination of bid arrangements ,if in the opinion of the Council the BID body has insufficient finances to meet its obligations for the current bid period. In these times many of the businesses will not be able to make their BID levy payments and as such the funding stream of the BID company will be compromised and will not be able to meet their liabilities

The regulation allow you to hold a public meeting for those affected by the BID levy to meet and make representations to you.

It seems that in these unprecedented times this is the correct way to proceed , to liaise with those most affected and take action on the views that those key stakeholders provide to you as the Council.

I would respectfully suggest that it is incumbent on the local authority as the civic leadership for the Borough in conjunction with the other boroughs that are involved to exercise its discretion in these unprecedented times and find a way forward that respects the position that the businesses in the current bid area find themselves.

I am sure you would want to be seen as a Council which is connected with its business community, is understanding of the current circumstances which have arisen totally out of the control of the businesses through the Covid lockdown and find a way to support those businesses in the short term and in the longer term.

I trust you will consider the letter in the spirit that it is intended in these unprecedented times.

Yours sincerely



Gareth Pinwell
for Ashfords LLP