

16 May 2008

Position Statement

Following the issuing of BID levy invoices by Coventry City Council for 2007/08, acting as the Billing Authority on behalf of Coventry Best for Business, this position statement sets out some important background information about the Business Improvement District (BID), clarifies the legal position of our actions and addresses your query as to why you have received an invoice.

Business Improvement Districts form part of the Statutory Instrument Number 2443, the Business Improvement Districts (England and Wales) 2004 that forms part of the Local Government and Housing Act 1989. The government department that regulates Business Improvement Districts is the Department for Communities and Local Government.

In September 2005 following on the success of the Coventry city centre BID, Coventry & Warwickshire Chamber of Commerce and CV One Limited came together to discuss how a BID might benefit the wider business community in Coventry. A steering group was set up comprising representatives from the local business community, CV One, Coventry City Council, the Police and the Chamber. A pilot research study was carried out to consult with an initial group of forty businesses. The concept was broadly accepted and the main themes of the BID were identified as crime reduction, better access to ICT connectivity, improving the image of Coventry and targeted business support.

A detailed consultation followed which involved making contact with more than 800 businesses with the main focus of engagement on business parks and industrial estates with a high concentration of business occupiers in Coventry. Prior to embarking on the ballot process, the BID had to demonstrate to the billing authority (Coventry City Council) and inform the Secretary of State for Communities and Local Government (in writing) that a proper and rigorous process of consultation had been carried out.

In May 2006, the Chamber and CV One Limited held a launch meeting with local businesses to explore the possibility of creating a BID for the whole of Coventry. A questionnaire was distributed to all Coventry businesses in June and on the basis of the number of forms returned, the Chamber and CV One decided to launch a BID. A newsletter was then issued in December setting out details of how the BID would be funded via a levy (£200 plus 1.5% of the rateable value), details of the business plan were published on a web site together with information relating to the ballot process that the BID would follow and a proposed timetable.

On 11 January 2007, Coventry City Council distributed BID ballot papers to all business rate payers setting out the proposals for a BID with a closing date of 22 February. The following day, the Council announced that the ballot had been successful. Of 2520 businesses that were issued with a ballot paper, a total of 833 votes were cast in the ballot representing a turn out of 33.6%. A total of 450 votes were cast in favour of the BID (54%) which represented 59% of the aggregate rateable value in favour of the proposal. A total of 176 ballot papers were returned by Royal Mail to the Council as undeliverable which represents 7% of those businesses eligible to vote. The legislation allows for a simple majority either based on the number of votes cast or the rateable value.

As you can see the BID was a very long time in the planning and arose directly from what Coventry businesses were repeatedly saying in surveys. The BID came into operation on 25 October 2007 and will last for 5 years. The CBfB covers 2520 businesses located on 84 business parks or industrial sites within Coventry, or with a rateable value of more than £200,000. The invoice that you will have received relates to the period 25 October 2007 to 31 March 2008. Thereafter annual invoices will be issued every April until 2012.

Under the legislation referred to earlier, I would inform that you are legally obliged to pay the levy invoice for the reasons explained below:

- The BID consultation process was fully scrutinized by the Billing Authority (Coventry City Council) before the ballot could proceed, as required by the BID Regulations
- The BID ballot gave a democratic mandate to the BID Business Plan in accordance with the legislation
- An objection to the ballot result on procedural grounds was considered in detail with appropriate responses from those entitled to respond including the BID proposers by the Secretary of State (DCLG) and the ballot result was upheld. On the 8th August 2007, a full and detailed decision was received from the Secretary of State stating that the " ...the Secretary of State considers that the successful result in the BID ballot should be upheld and that the objection should be dismissed"
- Accordingly, it is clear that the BID scheme is properly constituted and lawful and thus the BID Board is mandated to deliver the BID Business Plan

Coventry Best for Business is a private sector, independent, not-for-profit Company that is managed by a board of directors from different geographical and sectoral areas across Coventry (all levy payers). If you would like to know more about the Company, please visit our web site at: www.coventryb4b.co.uk If you wish to speak to a Business Area Champion regarding the services provided by the BID, please ring 02476 654300.

In conclusion, Coventry Best for Business has embarked on an ambitious capital and revenue programme up to 2012 with one over riding vision – to make Coventry the best place in the UK to do business.