

# CABINET

## Lancaster Business Improvement District - Renewal Ballot and Final Delivery Plan Proposal

02 December 2025

### Report of Chief Officer Sustainable Growth

<b>PURPOSE OF REPORT</b>				
To provide context and information for the endorsement of proposals for a Lancaster Business Improvement District (BID) Renewal Ballot (5 February 2026) as required by the national BID statutory provisions. The report updates Members on the pre- and post- ballot issues, resource and other implications in relation to the city council's role in the BID renewal process and as a BID levy payer.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision		October 2025		
This report is public				

#### RECOMMENDATIONS OF Councillor Peter Jackson

- (1) The Renewal Proposals for Lancaster Business Improvement District (BID) Renewal Ballot are agreed as in compliance with the statutory requirements and are not in conflict with the council's corporate policy framework.
- (2) Formal Endorsement of Lancaster BID final Renewal Proposal policy compliance and the issue of an instruction to proceed to ballot via UK Engage is undertaken by the Chief Executive.
- (3) The current Operating Agreement and Baseline Agreement are revised to reflect any changes/amendments required between the parties and current council service provision respectively, with approval and post-ballot sign-off of the final documents delegated to the Chief Executive.

#### 1.0 Introduction

- 1.1 Members should be aware a third term for Lancaster Business Improvement District (Lancaster BID) was voted in by local businesses in February 2021

and has been running since 1 April 2021. The renewed period agreed was for 5 years up to 31 March 2026 and Members will be broadly aware of the contribution that Lancaster BID has made to events and initiatives over the period.

- 1.2 Following implementation and progression of its work over the current term Lancaster BID is seeking renewal of the arrangements. This requires a Renewal Ballot, conducted under the same statutory provisions (The Business Improvement Districts (England) Regulations 2004) as previous term ballots. The Renewal Ballot for the fourth term is scheduled to be held from 9 January 2026 with the final day for return of ballot papers set for 5 February 2026.
- 1.3 The national BID Regulations instruct the BID proposer to notify the billing authority (the city council), of its Renewal Proposals. The billing authority must be content that Renewal Proposals meet the information content and policy tests detailed in the 2004 Regulations before it can give its formal authority and issue instructions for a ballot to proceed.
- 1.4 Lancaster BID has reviewed its activities, delivery structure and scope, consulting with current and prospective levy payers in detail over the current term. The result of this work is the Lancaster BID Renewal Proposal (**Appendix 1**). This document will be issued to all eligible levy paying voters and can be regarded as Lancaster BID's "manifesto" against which businesses eligible to pay the levy consider their vote.
- 1.5 Endorsement of the Renewal Proposals via this report and delegation of other required decisions, will allow the city council to manage its statutory obligations under the ballot process and ensure legal requirements for progression of the ballot are met in good time.

## **2.0 Background**

- 2.1 BIDs were introduced to the UK in 2002 as a funding generating mechanism to support improvements in defined commercial areas. BIDs are based on the principle of charging an additional levy (typically 1% to 2% of rateable value) on business ratepayers in a defined area following a positive majority vote by those ratepayers – being defined as a simple "yes" majority of both the voting balance of Rateable Value and the voting hereditaments. BIDs are time-limited, running for up to 5 years before requiring a renewal vote. Local partnerships are developed to undertake work on:
  - Deciding the BID area and what improvements they want to make
  - How the implementing partnership will manage it and what it will cost
  - How long it will last
- 2.2 BID Regulations leave most of the structural arrangements to local discretion. This includes the pre- and post- Renewal Ballot details of who proposes / manages a BID and which projects / proposals are brought forward to meet local needs and aspirations. Experience over previous BID terms is that it is essential to clarify 'additionality'. That is, a positive voting outcome will be

hard to achieve if a proposal is perceived to replace what is already being delivered or is revealed to be covering for statutory service shortfalls. Best practice also advises that any BID proposal, and the levy resource ownership and implementation, remains independent of the statutory service providers. However, the council in acting as local billing authority retains and discharges certain critical administrative functions and financial responsibilities.

2.3 Before it issues instructions for a Renewal Ballot the billing authority must content itself that:

- The Renewal Proposal covers the issues laid down in BID Regulation 4 and its associated Schedule 1 - the required information compliance
- The Renewal Proposal does not conflict with the billing authority's formal policy framework.

### 3.0 Lancaster BID Renewal Proposal

3.1 The Renewal Proposal (**Appendix 1**) builds on the work undertaken over the current 5-year term. The content follows best practice guidelines from British BIDs, the industry recognised organisation that reviews and reports on national BID activities. It covers the following key areas:

- Reference to achievements against the original BID Business Plan with evidence of delivery and performance against the planned services.
- An analysis of the impact on the BID area and for those businesses within it.
- A clear outline of any differences between existing and proposed services and/or the previous BID area together with reasons as to why such changes have been made.

3.2 Notable features and some distinctions from the previous term's proposals are as follows:

- The renewal term proposed is 5 years, the maximum allowed under statute and will run from 1 April 2026 to 31 March 2031.
- The BID area is extended - the majority of the city centre east of the west coast main line up to the Lancaster Canal, and the Castle and Priory environs to the west are now included.
- Lancaster BID will continue to operate as a company limited by guarantee and accountable body for BID levy funds.
- The ballot period is scheduled for between 9 January 2026 and close at 5 February 2026.
- The BID levy, how it is calculated, collected and who is eligible to pay are amended as follows:
  - The threshold for BID levy eligibility is reduced to £9K
  - Levy is amended to:

2026/27	1.85%
2027/28	1.86%
2028/29	1.87%
2029/30	1.88%
2030/31	1.89%

- Total levy revenue generated is £1.75M reflective of the new levy multipliers.
- Schools are excluded from paying the levy.

3.3 The consultation process undertaken to date by Lancaster BID to evidence and secure the support from local businesses for the planned expenditure has included review and evaluation of past performance, questionnaire surveys, general meetings and events aimed at different sectors and geographical sub-areas of the city.

3.4 **Appendix 2** highlights the officer view of the Renewal Proposal's compliance with BID Regulations 4 and Schedule 1 and details some potential further information requirements or clarifications which may be required in the full proposal. It also highlights the policy fit – defined as the city council's published corporate policy framework. In summary, officers consider that the document meets the statutory information requirements and does not conflict with the council's policy framework.

3.5 For the BID to be renewed two threshold tests need to be met in the ballot:

- More than 50% of votes cast (turnout) must be in favour of the BID and:
- The positive vote must represent more than 50% of the Rateable Value (RV) of the votes cast.

It is currently estimated the proposed BID area has an RV of around £16.58M taken from 444 voting eligible +£9K RV hereditaments (the rateable unit, where each unit has one vote).

#### 4.0 Details of Consultation

4.1 The Lancaster BID has undertaken consultation with prospective levy payers to develop its ongoing approach to its service delivery, and this has been reflected in the proposals.

#### 5.0 Options and Options Analysis (including risk assessment)

5.1 A summary of the options and analysis is presented below:

	Option 1: Do nothing	Option 2: Endorse the Lancaster BID Renewal Proposals.	Option 3: Request material amendments to the draft Renewal Proposal for consideration/ endorsement at a future Cabinet meeting
Advantages	No advantages.	Timely notice that the proposals are technically sound and likely compatible with BID Regulations and	Only appropriate if the proposals have to be vetoed due to conflict with council policy and

		<p>council policy.</p> <p>Allows for minor/non-material technical amendments via scrutiny of final Renewal Proposals.</p> <p>Enables Lancaster BID to continue pre-election canvassing and marketing with confidence.</p>	<p>if extensive changes are required.</p> <p>Allows revised proposals to come forward that are compatible with council policy and regulatory requirements.</p>
Disadvantages	<p>Creates uncertainty for Lancaster BID.</p> <p>Hinders BID's pre-ballot canvassing and marketing activities.</p> <p>Delays the ballot process.</p>	No disadvantages identified.	<p>Reputational implications for the council if proposals are not endorsed without good reason.</p> <p>Potential delays to BID's pre-ballot canvassing and marketing activities.</p>
Risks	<p>If there are issues with Renewal Proposal compliance at this stage, a ballot could be delayed, impacting BID's canvassing and the council's operational planning.</p> <p>This Cabinet meeting is the last date proposals can formally be endorsed for a February ballot under statutory notifications.</p>	<p>No guarantee that the BID Renewal Ballot will be successful.</p> <p>Ongoing consultation and officer scrutiny mitigate technical risks.</p>	<p>If there are issues with compatibility with the council's policy framework, Lancaster BID must address them and prepare a compliant Final Renewal Proposal.</p> <p>Risks are as in Option 1 regarding statutory deadlines.</p>

## 6.0 Officer Preferred Option (and comments)

- 6.1 The Lancaster BID proposals do not conflict with any published council policies and a successful BID will continue to actively support the council's corporate objectives particularly in the areas of Economic Growth, Clean Green & Safe Places and Community Leadership. The work of Lancaster BID in canvassing opinion and consultation show a good level of support for the way the BID proposals have been shaped.
- 6.2 The amount of prior discussion between the BID proposer and the local authority before submitting the BID draft proposals to the authority has been sufficient and it is expected consultation will continue up to the submission of final proposals. The costs incurred and due in developing BID proposals, canvassing and balloting have been allowed for within the BID's current budget.
- 6.3 There are no advantages in holding over on endorsement pending Final

Proposals (Option 1) and officers consider there are no material alterations required (Option 3). The **Preferred Option** is therefore **Option 2, to endorse the Lancaster BID Renewal Proposals.**

- 6.4 It follows that an appropriate level of delegated authority is required to ensure the outstanding matters are addressed and so that Lancaster BID can move forward to ballot. As these issues are mainly technical and operational it is recommended this be undertaken through delegated decision by the Chief Executive.
- 6.5 It should be noted the city council will continue to be liable for the levy on the rateable property it occupies/holds should a ballot be successful (refer to **Financial Implications**). The city council's eligible holding in the redefined BID area currently amounts to £1.48M RV across 23 hereditaments. While this represents around 9% of the potential total RV in play (and 23 votes out of a potential 444) it should be noted that BID voter turnout has rarely exceeded 60% nationally, and below 50% is the norm.
- 5.1 The city council's rateable property holdings, both in terms of RV and number of hereditaments, could therefore be significant in determining the ballot outcome. There is no statutory prescription on how individual local authorities treat this matter of voting. Cabinet has in the past escalated the voting decision to Full Council (who previously considered a report prior to the voting period), and officers have anticipated the continuation of this arrangement.
- 5.2 The Lancaster BID Renewal Proposal has been independently developed by local business, and the group has a widely recognised mandate and identity in the commercial heart of Lancaster. However, the overall voting result, and perhaps the council's voting decision itself, depends on Lancaster BID being persuasive and clear about the planned benefits and how they will be delivered. Only if businesses and local stakeholders see true additional value in a BID will they be willing to provide their support.

## **7.0 Conclusion**

- 7.1 The current Lancaster BID Renewal Proposal presents an opportunity for the business community to continue to deliver additional services and activity in Lancaster City Centre on its own terms. The business representatives and Lancaster BID team at the heart of the proposal have worked to ensure their proposal reflects local issues and the activities proposed will have meaningful local impact.

### **RELATIONSHIP TO POLICY FRAMEWORK**

The Lancaster BID renewal proposals are well aligned with the Council Plan 2024–27's strategic priorities. The BID's activities support economic growth, environmental improvements, partnership working, community wellbeing, and inclusivity.

**A Sustainable District (The Climate Emergency)** The Council Plan aims for Lancaster to be net zero carbon by 2030, focusing on biodiversity and sustainable practices. The BID's "Green Agenda" supports this with street cleansing, graffiti removal, planters, and seasonal decorations that enhance the city centre. The BID also partners with the Council and others on sustainability, though there is room to further develop its environmental actions to fully meet council targets.

**An Inclusive and Prosperous Local Economy (Community Wealth Building)** The Council Plan seeks to use assets and procurement for community benefit, skills, investment, and promoting Lancaster as a destination. The BID supports a diverse business mix through events, marketing, and business support, all aimed at boosting footfall and economic activity. The BID also attracts investment and works with partners like Lancaster University and Eden North, aligning well with the Council's economic aims.

**Healthy and Happy Communities (Increasing Wellbeing, Reducing Inequality)** The Council Plan focuses on clean, safe neighbourhoods and access to arts, culture, and recreation. The BID delivers events, supports arts and culture, and improves public spaces. Safety is addressed through the BID Warden, police partnership, and community safety schemes. While not directly involved in housing, the BID's activities help create a cleaner, safer, and more vibrant city centre.

**A Co-operative, Kind and Responsible Council (Delivering Effective Services, Taking Responsibility)** The Council Plan commits to partnership working and effective service delivery. The BID is governed by a board representing city centre businesses and engages in regular consultation and collaborative projects. Its partnership with the Council, police, and others supports the Council's goal of co-operative and responsible service delivery.

## **CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

**Health & Safety:** The BID has sponsored events and has directly delivered events, and this is anticipated to continue in the future. All major public events planned are discussed through the local Events Safety Advisory Group (ESAG).

**Equality & Diversity / Human Rights:** It is assumed from nationwide BID activity, and through its continuing application within the UK, that activities properly undertaken within the BID legislation are compatible with the Human Rights Act.

**Community Safety:** If renewed Lancaster BID will continue to support projects which will have a positive impact on community safety/business security matters.

**HR:** None

**Sustainability:** The additionality of BID Proposals should be of benefit to the council's corporate objectives, businesses and the community.

**Rural Proofing:** None

## **LEGAL IMPLICATIONS**

The Business Improvement Districts (England) Regulations 2004 prescribe the minimum requirements which must be met in order for a BID Renewal process to progress in a compliant legal manner. Consideration and approval of a final BID Renewal Proposal is a city council duty and the route for the council to discharge its responsibilities is outlined in the report.

The council, as billing authority, has the power to veto a final BID Renewal proposal where it conflicts with any locally adopted policies and/or plans. As noted in the report, use of the veto is unnecessary given the compliance check is based on Final Proposal as set out in the report.

Ballot management will be undertaken via UK Engage who will meet all the necessary prescribed statutory ballot regulations. Instructions will need to be issued by the council to initiate the ballot on approval of the BID Renewal proposal. If the ballot is to be undertaken

in January (with a closing date of February) as stated in the Draft Renewal Proposal key actions are as follows:

- Lancaster BID as the Renewal Proposer is required to notify, in writing, the Secretary of State and the relevant Billing Authority of their intention of asking the Billing Authority to put the BID Renewal Proposal to the ballot. This notice is required 12 weeks prior to the BID Proposer submitting final proposals to the billing authority for approval for balloting. This has been completed.
- On approval of a final Renewal Proposal the Chief Executive will instruct the ballot holder (UK Engage) on behalf of the council to hold a ballot – a standard letter has been drafted for issue.
- UK Engage must publish notice of the ballot - no later than 42 days before the day of the ballot (the closing day) – this is scheduled for 18 December
- The “day of the ballot” (the statutory description of the last day for return of ballots) must be at least 28 days after the date ballot papers are sent to voters and no later than 90 days after publication of the notice of the ballot. This has been set for 5 February 2021.
- The ballot holder sends ballot papers to voters with a statement on the arrangements for ballot - no later than 42 days before the day of the ballot (the closing day).

Implementation of the levy proposal by Lancaster BID (as the BID proposer) is underpinned by formal legal agreement with the council as billing authority. This Operating Agreement (OA) sets out the various procedures for the collection, payment, monitoring and enforcement of the BID levy. The current OA between the council and Lancaster BID is regarded as having provided a sound basis for the operational relationship to date and will be updated to reflect the new term if the BID renewal term is voted in. A feature of the OA is the “baseline” – a statement/measure of the existing services provided by the city council to the BID area.

Production of a baseline and its formal incorporation within the OA (as a “Baseline Agreement”) is useful to assist potential levy payers identify added value of services proposed. For example, if the council is involved in delivering services solely for the improvement or benefit of the BID area (funded using the BID levy or other contributions to the BID body) it provides a benchmark to ensure true additionality for BID resources. While it is regarded as best practice that these operational matters are agreed in principle prior to a ballot (mainly for clarity and as an additional ‘selling point’ over the BID election period) - the agreements are formally agreed and signed post-ballot.

Should there be a successful Renewal Ballot the levy will continue as a statutory debt subject to the usual principles of rate collection, reminder notices and enforcement action for non-payment. The first point of contact for businesses with billing questions will be the council, rather than the BID delivery body. Experience of over the first and second BID term in Lancaster shows that the levy itself is not a major cause of non-payment, but enforcement action may still be required in certain cases. Revenues shared service experience of BID collection/enforcement matters will be valuable in this regard. The timetable for reminders and enforcement will follow that of the existing NNDR systems.

## **FINANCIAL IMPLICATIONS**

There are several costs in relation to BID renewal development that should have no bottom-line impact on the Council:



1. The costs to UK Engage for undertaking the ballot are to be paid through the current Lancaster BID budget.
2. Administrative costs of identifying hereditaments within the extended BID boundary and producing a listing of all those rateable properties within the relevant boundaries is able to be absorbed within current budgets.
3. Updating the NNDR system to support the collection of additional BID levies: although the BID area has been extended there will be 444 billable hereditaments compared to previous 383. The current software model is therefore able to accommodate this at no additional cost.
4. BID legislation allows for the council's administrative costs to be recovered through the BID levy and the councils charging has been made clear to Lancaster BID and will be kept under review. Officers have ensured its administrative charges are appropriate. Charges are also clear to those who are eligible to vote and are included within the renewal proposal. This is currently budgeted for in the region of just over £7K per annum.
5. Potential costs of supporting the BID body operation post ballot - the Lancaster BID has not required or generated any discrete council management input into the post ballot 'operational' side.

The main bottom line impact of a successful renewal will be the cost to the council for the levy on its own properties for which it holds NNDR liabilities within the increased BID area. At an initial 1.85% levy the council is estimated to incur a charge of around £27.4K. The existing charge is included in the council's revenue budget and will need to be updated and carried forward from 2026/27 financial year onwards as part of the annual budget process.

There is no guarantee that a BID Renewal Ballot will be successful. If there is a 'no' vote any remaining funds from the first BID term will be returned to the council who will distribute it back to levy payers under procedure detailed in the 2004 BID regulations.

## OTHER RESOURCE IMPLICATIONS

**Human resources** Internal council human resources will be used to support Lancaster BID as outlined in the report. The main operational issues will primarily involve NNDR officers in managing the levy billing arrangements if the BID Renewal proposals are successful. Legal Services officers will be involved in reviewing and dealing with formal agreements between the council as billing authority and the new BID body. Officers from sustainable Growth Service will continue to provide the contact point for the council's input into the Lancaster BID project programme if it is renewed through ballot.

**Information Services:** Following a successful ballot some updates to the billing software used by the council to generate and administer the BID levy bills will be required. The implications are outlined in previous sections of the report.

**Property:** The city council will continue to be liable for the BID levy on rateable property which it occupies/holds should a renewal ballot be successful. The continuing improvement to the environment of the area through a successful BID ballot could benefit the businesses within the city centre and may also improve the take up of the council's empty commercial property, reducing its general business rate liabilities in the long run.

Lancaster BID currently leases accommodation within the council owned offices at CityLab, Dalton Square, if the BID renewal ballot was successful then it is hoped that BID will continue to occupy this space under a new lease.

**Open Spaces:** The BID proposals include measures for improvement, enhancement, and productive use of city centre public realm and open space.

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and has no further comments

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

The Business Improvement Districts  
(England) Regulations 2004

<http://www.legislation.gov.uk/uksi/2004/2443/contents/made>

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