

Approval of an Advance for St Peters Quarter Derby Limited

SUMMARY

- 1.1 In February this year, following a four week ballot period, it was announced that businesses had voted for the creation of the St Peters Quarter Business Improvement District (BID). The BID started on 1 April 2017 and will operate for a period of five years.
- 1.2 BID levies are collected by the Council and paid to St Peters Quarter Derby Limited (SPQDL) monthly.
- 1.3 St Peters Quarter Derby Limited (SPQDL) is the registered company running the BID and have requested that Derby City Council (DCC) approve an advance of £40,000 to cover the gap between the commencement of the BID and the first remittances being received from DCC.
- 1.4 Under the Council's Financial Procedure rules, such an advance requires Cabinet Member approval, in this case the Cabinet Member for Finance and Governance, Cllr Baggy Shanker.
- 1.5 This report also seeks to agree an annual management fee for administering the levy of £5,235 for the 2017/18 year.

RECOMMENDATION

- 2.1 To approve an advance of £40,000 to be repaid in full within three months of receipt.
- 2.2 To approve an annual management fee of £5,235 for the 2017/18 financial year.

REASONS FOR RECOMMENDATION

- 3.1 To provide the BID Board with sufficient capital to start their programme of works, pending receipt of the first bulk remittances being received from DCC.

SUPPORTING INFORMATION

- 4.1 In January 2017 relevant businesses within the proposed St Peters Quarter BID area were balloted about the creation of a new St Peters Quarter BID area.
- 4.2 The result of the ballot was announced on 24 February 2017 and confirmed that a new St Peters Quarter BID would be created and that it would operate for a period of five years, commencing on 1 April 2017.
- 4.3 Annual BID levy bills have subsequently been sent to all relevant businesses within the BID area. The bills request full payment for the year is made in April 2017.
- 4.4 Under the terms of the Operating Agreement that exists between DCC and SPQDL any BID levy payments received in April 2017 are paid over to the BID by the 7th of the following month.
- 4.5 The BID Business Plan and BID Prospectus has set out a programme of works which the BID levy will pay for. As there is a period between the BID starting and the first bulk BID levy payments being paid to the BID, the BID Board has requested an advance of £40,000.
- 4.6 Under the Council's Financial Procedure rules such an advance needs approving by the appropriate Cabinet Member. Should the advance be approved it is recommended that we stipulate full repayment within three months.
- 4.7 The cost of administering the levy is estimated to be £9,587 for the 2017/18 financial year covering;

Description of cost	Amount £s
Business Rates staff costs	3,589
Reconciliation & Board management information costs	4,338
Cashiering & cash allocation costs	1,074
IT staff costs	586
Total	<u>9,587</u>

- 4.8 Guidance from the Department for Communities and Local Government suggests that the management fee should be 3% of the net annual levy or £35 per hereditament, whichever is the lowest amount. In this case it is 3% of the net annual levy which is £5,235 for the 2017/18 financial year.
- 4.9 The SPQDL BID Board met on 20 March 2017 and requested that a maximum management fee of £5,235 for the 2017/18 be applied. The Cabinet Member for Regeneration and Economy sits on the Board and agrees this principle.

OTHER OPTIONS CONSIDERED

- 5.1 Do not approve the advance. This will result in the BID Board having short term cash flow issues and not being able to start their programme of works.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Martyn Marples
For more information contact: Background papers: List of appendices:	John Massey 01332 643774 john.massey@derby.gcsx.gov.uk None Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The advance will be repaid in full and therefore there is no financial loss.

Financial Procedure rules require the appropriate Cabinet Member to approve this advance.

Legal

- 2.1 As determined within the Council's Financial Procedure rules.

Personnel

- 3.1 Nil with this report.

IT

- 4.1 Nil with this report.

Equalities Impact

- 5.1 Nil with this report.

Health and Safety

- 6.1 Nil with this report.

Environmental Sustainability

- 7.1 Nil with this report.

Property and Asset Management

- 8.1 Nil with this report.

Risk Management and Safeguarding

- 9.1 Nil with this report.

Corporate objectives and priorities for change

- 10.1 Supporting the St Peters Quarter BID will support the Council's aim to be a safe, strong, and ambitious city.