

21.5.2020 MEETING MINUTES

Location: Online

1. Welcome / Introductions / Minutes

Quorum

2. Exec Board Update

Small projects which have been approved
Existing projects under review
Projects still to be reviewed
Next Steps

3. BID Levy

BID Lobbying
BID Resilience Fund
Questions

4. 12:15 AOB

ATTENDEES

OBSERVER

APOLOGIES

Clive Rowe-Evans (CRE)
Kerry Carruthers (KC)
James Hodgson (JH)
Pete Gibson (PG)
David Bowe (DB)
Dean Bullen (D-B)
Ben Gilligan (BG)
Shaun Horton (SH)
Richard Bradley (RB)
Mo Aswat (MA)

Janet Deacon (JD)

Mo Driffield (MD)
Mark Miller (MM)
Rudi Barman (R-B)
Tony Snow (TS)
Jayne Nendick (JN)
Michael Graham (MG)

1: Welcome / Introductions / Minutes

Quorum

Quorum established: 53%

19% Voting share between public bodies: 3 Present: 6.3%

81% Voting share between private sector directors: 4 Present: 20.25%

NB: Abstentions which affect voting % and calculations are shown below

Board

Confirmed votes pre-May board meeting:

To form an executive board for a period of six months to enable the company to move forward:

27.3.2020 - 04.03.2020 (Online)

In Favour: 9 (93.65%)

Against: 1 (6.33%)

Abstain: 3

Directors nominated for exec board include: MM/DB/JH/PG/D-B

ShopAppy approved by 5 directors inline with group funding approval parameters

2: Exec Board Update

Terms of Reference:

CRE reiterated the exec committee limit, role and responsibilities

Estimated end of year accounts summary

CRE presented and discussed projected end of year accounts

Small projects approved by exec board:

- Withernsea Pier Association
- Holderness Business Support
- 2021 Puffin Festival
- RHB new bench

Large projects under review by exec board with working groups:

- Yorkshire Coastal Route
- Yorkshire Coastal Sculpture Collection

CRE: Any private sector directors wishing to join the above working groups to liaise with KC

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Projects still to be reviewed by exec board:

- Business Support
- Cleansing
- Gift Card
- Scarborough Christmas Lighting
- Nature Tourism
- Marine Partnership
- Parking Scheme
- Footfall monitoring

RB: Questioned what support the BID will be providing to businesses with a COVID-19 support package and destination marketing.

KC: Explained that there are a number of options under review for business support, including a new opportunity with Meercat Associates. The coastal route and sculpture collection will both feed into destination marketing plans. No alternative opportunities are being presented by local authorities/other parties, but are always open to suggestions. However, in the absence of no information sharing or ideas, the BID can only progress with what has already been worked up.

DB: Provided Harrogate BID context around developing consumer confidence and working with a supplier ref parking initiatives in the town

ACTION: The full Board will receive an 18 month report on the 4th June, approved by the exec board requesting the full board to vote on the  h June.

3: BID Levy

BID Lobbying.

BID Co has written to MPs/Local Authorities requesting support for regulatory changes that would allow the levy to be treated in the same way as business rates – no reply from SBC MPs or acknowledgement of supporting the effort.

BID Co has joined national lobbying efforts led by British BIDs and BID Foundation

BID Co has Joined Croydon BID and other BIDs national to lobby for support for businesses with a RV above 51,000

Supported SSBT efforts for VAT refunds to support larger organisations

BID Resilience Fund

The fund was created by government out of a response to the above lobbying. It was not what was asked for, but they are creating the fund to support the ongoing work of BIDs in the community and provide BIDs operating cost relief.

Applications have been submitted by SBC and ERYC as required by DoC for BID grant.

Awaiting confirmation of amount.

Grant estimated to be 5% of predicted income

BID Levy.

KC: Provided full detail of questions asked of solicitors/consultants/institutes re the treatment of the year two levy, shared with the board.

Recommendations presented based on what the BID Co. can currently see as a way to treat year two levy, based on independent legal advice and BID institutions.

Board held discussions around applying relief only to certain classes of businesses

D-B: Questioned whether a letter can be issued stating the BID Company intends to hold an alteration ballot with the intention to zero-rate the levy in year 2

MA: Confirmed that technically, yes, but the regulations were not written for this purpose and explained that an alteration ballot, requires the same treatment and process as the original ballot. Including consultation, new business plan, baseline agreements and ballot. The ballot must be successful on the same 2 counts to be accepted, and if not, no changes can be made. The process will take a minimum of 90 days.

CRE: Confirmed that fees and BID team workload will need to be factored.

JH/D-B: Commented that larger retailers should still pay.

RB: Commented that levy treatment should be applied to all businesses, not just specific classes.

MA: Confirmed, treatment has to be fair and equitable.

MA: Advice from BID institutes is that you cannot choose who you feel should pay, as per the Regulations and you cannot burden one class of rate payer.

JH/D-B: Believe there is a case to bill those businesses that are still open.

MA: Regulations could be tested, but cannot advise pursuing actions against the regulations.

RB: Stated that the BID should be business friendly and demonstrate compassion.

PG: Explained that the investment level and losses are high for big operators and should not be unfairly targeted with a levy if relief is proposed for others. It is fairer, if possible, to discount the levy for all in year 2.

BG: In agreement with PG that whilst some businesses may gain, it is not appropriate for the BID to decide who should or should not pay with no context or real understanding of their financials, including the significant costs that larger operators have had to pay.

SH: Requested clarification on when the board needs to make a decision decision.

CRE: Deadline 1st August at the very latest.

D-B: Stated that the BID Team are not understanding what the board wants and are not providing relevant solutions and only focusing on issuing levy bills and acting legally.

MA: Explained that there is a distinction between the powers of the board and what are the legal implications. Confirmed that it is in no-ones interest to bill and that all avenues that are available are not only be looked at by BID Team, but BIDs and institutions nationally. The DoC has not issued any further advice other than BIDs should work with local authorities to put sensible payment plans in place and local authorities should support the efforts made by BIDs.

D-B: Stated that no-one on the board is in support of the current suggestion and the board will find a way to write off year two levy and that only his option will pass the board. Delay is of no interest and states he has specific support from R-B/MM/TS/JH.

KC: Strongly disagreed with the assumptions made that the intent is to bill with no consequence, or thought of the impact on the business community. What has been asked, has been answered and checked with all other sources. Equally, the board must understand, that it is the local authority whom is bound by BID legislation to issue levy bills and both authorities have been contacted to seek the support of them and their legal team in identifying solutions - See copy of email attached.

D-B: Motion to hold an alteration ballot as soon as possible to remove the year 2 levy

PG/BG: Stated that it should either be bill all, or none at all and the decision to be communicated in detail.

SH: Require a clear and concise plan, which is legal, to be presented in advance, before any more consideration can be made.

RB: Believes the BID can agree with SBC to not bill, but does not have any legal guidance in writing to share, but will check and feedback.

MA: Confirmed that RB information is not what is being provided by British BIDS/ATCM/BID Foundation/Department of Communities

DB: Noted that it may be difficult for different authorities to reach a unanimous way forward and consistency is key.

RB: Asked, if the BID Board would challenge the local authority if they chose not to issue bills.

MA: Explained that any BID Co would be likely to support the proposed action, but that still doesn't mean that it is a legal option available.

RB: Believes that the local authorities and BID Co should lobby DoC for levy relief without recompense.

MA: Explained that this has happened and is still ongoing, but suggested that each authority supports the BID and national effort.

JH: Motion to put the levy to vote in June

All in agreement

KC: Require the local authorities to provide their legal position, because what is being asked, needs to be accepted in principle by the authorities in order to be able to provide options to the board to vote on.

ACTION: CRE requested RB and SH to share their legal teams opinions and for the board to consider formalising this as a vote.

RB: Does not believe that they will be able to provide feedback as challenging the regs is untested.

MA: Appreciates that it may be difficult, but all advice needs to be based on an element of evidence/rationale.

ACTION: CRE requested that advice is placed in writing so the board can consider and vote.

RB: Will discuss with the legal team.

SH: Will discuss with the ERYC legal team and request the view to be issued to KC and CRE.

Board request for options to be presented by next board meeting to make a formal vote and information to be available from 4th June.

4. AOB

Scarborough Ballot Investigation Audit Committee - update requested from SBC

RB: A meeting will held when safe to do so within the coming weeks

CRE: Requested details to be shared with the BID Co

Town Funds

CRE: Requested information from SBC and sought clarification on whether the BID could assist

RB: Explained it is a capital project and information can be inputted through the general town fund pages

Director Training.

KC recommended that directors consider accepting the training offered to directors so they fully understand/refresh their understanding of their role and responsibilities. It is also an opportunity to network with other BIDs throughout the UK and understand their role within their location.

The role and responsibilities of being a company director come with legal accountability. Failure to meet those responsibilities may run the risk of incurring personal liabilities. Under the Companies Act 2006, BID Directors have the same statutory duties as any other company director, but the exceptional structure and role of a BID company adds further responsibilities more akin to those of a charitable trustee.

7th July, 10:30am – 1pm

ACTION: Directors to contact KC direct re above.

Information to levy payers

Action: KC imposed deadline of no later than the 30th June for the board to communicate future plans and levy treatment

Committee Groups

For any directors who have the time and will to join the 3 different committee groups, please liaise with KC:

- Route
- Sculpture
- Support



Minutes accepted on June 18th 2020