



**BUSINESS IMPROVEMENT DISTRICT POLICY  
- POLICY OPERATING STANDARDS**

Approved January 2017

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## 1. Introduction

These Policy Operating Standards support the Christchurch City Council's Business Improvement District (BID) Policy and outline operational requirements of BID programmes. Procedures outlined in this document are an integral part of the BID Programme and need to be read in conjunction with the Policy.

The Christchurch City Council BID Policy and other supporting documents can be found on the Council's website <http://ccc.govt.nz/culture-and-community/christchurch/business-improvement-district-programme/>

### 1.1 Purpose of the Christchurch City Council Business Improvement District programme

Business Improvement District (BID) programmes enable businesses within a defined geographic area to work with their local community board, the Council and other key stakeholder organisations to improve the local business environment.

Working together can create stronger town centres and business districts that are better positioned to take advantage of economic opportunities and are resilient to economic shocks.

Town centres are about people and people's needs, they are places with a history and a community story. They provide convenience, choice, value, comfort, leisure, entertainment and a sense of place. Centres are about place-making, and place-making is about communities having ownership, a sense of belonging and pride.

The Council's BID policy and these operating standards policy provide direction on how to establish a BID programme and the Council's expectations of how a BID programme should function.

The Council can assist with the establishment of a BID programme and support the implementation of the programme to leverage the contribution local communities make to the economic wellbeing of the district as a whole.

The BID programme also provides a mechanism to advocate to the Council for appropriate infrastructure, facilities and services to support business activity and to have a business perspective inform Council policies and initiatives.

### 1.2 The Business Improvement District programme - a collaborative approach

A BID programme is a public/private partnership. It can develop projects that attract assistance and may be in partnership with Central Government and/or the Christchurch City Council or other agencies and organisations.

A key feature of a BID programme is the ability to secure sustainable funding through non-residential properties within a defined BID programme area paying a targeted rate. The rate is collected by the Council, and passed on to the organisation operating the BID programme to fund its work programme.

A BID programme should, however, be more than a purely financial relationship between the parties – it should provide opportunities to develop collaborative approaches to achieve development goals.

Establishing a BID programme takes time (often a one to two year period) and requires considerable effort and resources. A successful BID programme is characterised by the willingness of members to get involved in the development of their area. They will have a thorough understanding of their local business area and believe in the philosophy of self-help.

While it is likely a BID programme will be operated by a business association, the Council will consider alternative organisations to be a BID programme operator. An example is where a new entity may be established with representatives from the business association and other local key business interests.

### **1.3 Purpose and value of BID programmes**

A BID programme creates a partnership enabling Christchurch City Council, the relevant community board, a BID programme operator and the local business community to develop, formalise, and enhance relationships between local businesses and the Council. This relationship is a key element for successful local economic development and enhancing business prosperity.

The value of a BID programme can accrue to the partners involved in different ways:

#### **BID operator:**

- Increases business prosperity for members, through the provision of services, support, advocacy and initiatives that enhance the local business environment.
- Provides the BID operator with regular and sustainable funding. This enables delivery of initiatives identified in its strategic and business plans and provides value to members over a longer period than is usually possible when operating on a voluntary basis.
- Is aimed at growing business returns – leading to increased business turnover, increased profit, increased property values, ability to reinvest to further grow business.

#### **Community boards:**

- Community boards and local businesses have a common interest in a particular place and share similar goals. Working collaboratively is likely to promote better local outcomes for businesses and for the local community.
- Enables a community board to engage with the local business sector in a structured and coordinated way. It encourages local business investment, promotion and local economic development.

#### **The Council:**

- Enables the Council to engage with local business sector in a structured and coordinated way. It encourages business investment, promotion and economic development.
- The BID programme promotes outcomes the Council is seeking in strategies and plans outlined below.

### **1.4. Links with key strategies and plans**

A BID programme is intended to support and be consistent with the aims of the wider framework of Christchurch City Council strategies and plans and with plans prepared by the Canterbury Earthquake Recovery Authority (CERA) and its successors.

#### **1.4.1 The Christchurch District Plan**

The Christchurch District Plan details the objectives, policies and rules the Council and the community have agreed should be used to guide spatial planning, land use and growth management

and development over the next 30 years and beyond. It guides our path to becoming a world-class city, where people enjoy a sustainable lifestyle, a healthy environment, a strong economic base and the diverse landscapes of the city and peninsula.

The Christchurch District Plan is currently being finalised following a full review of the Banks Peninsula District Plan and the Christchurch City Plan.

The BID programme aligns with the Christchurch District Plan through the aspiration for a quality, compact Christchurch, to create opportunities for employment growth and to support a network of interconnected towns and villages with one world-class city centre.

#### **1.4.2 Suburban Master Plans**

The Christchurch District Plan is supported by a suite of suburban master plans prepared for business areas particularly affected by the earthquakes. Plans have been prepared for; New Brighton, Edgware Village, Ferry Road, Linwood Village, Lyttelton, Main Road (Sumner to City), Selwyn Street, Sumner Village, and Sydenham. A key feature of these Plans is the desire to create interesting and successful local commercial hubs.

#### **1.4.3 Christchurch City Council community outcomes**

The Council's community outcomes are aspirational statements describing how the Council would like to see Christchurch in the future. The community outcomes cover the full range of community wellbeing. The community outcomes likely to be progressed by a BID programme are:

- The central city is a vibrant and prosperous business centre
- The central city has a distinctive character and identity
- The central city is used by a wide range of people and for an increasing range of activities
- Streetscapes, public open spaces and public buildings enhance the look and function of the city
- Suburban centres provide the focus for services, employment and social interaction
- The city's identity is enhanced by its buildings and public spaces
- Services are available locally within the urban areas
- People are actively involved in their communities and local issues
- Christchurch is recognised as a great place to work, live, visit, invest and do business
- The council is responsive to the demands of the rebuild
- There is a critical mass of innovative key business sectors
- Christchurch has globally competing businesses driving exports and generating wealth

#### **1.4.4 Christchurch Economic Development Strategy (CEDS)**

The Christchurch Economic Development Strategy (CEDS) identifies long-term growth goals and priorities to 2031 that will help create a stronger economy and better quality of life. Development and oversight of implementation is undertaken by the Council's economic development agency - Canterbury Development Corporation (CDC).

The vision for the CEDS is: In 2031 Christchurch is recognised as the best place for business, work, study and living in Australasia.

#### 1.4.5 Economic Recovery Programme for Greater Christchurch (CERA)

The Economic Recovery Programme was prepared by CERA following the earthquakes of 2010/11 in consultation with a range of key economic stakeholders in the city. The programme is a direct response to the economic challenges faced by Greater Christchurch following the earthquakes.

The Economic Recovery Programme for Greater Christchurch sets out a strategic work programme of 20 high-priority projects that are the most important for economic recovery. BIDs could make a significant contribution to these projects and the economic recovery of town suburbs and centres.

#### 1.4.6 Christchurch Central Recovery Plan (CCDU)

The Plan vision is for central Christchurch to be vibrant and well-formed, and to attract people to live, work, play, learn, stay and invest. It will be safe, accessible to everyone and responsive to future changes.

The Christchurch Central Recovery Plan (Recovery Plan) outlines how the vision can be achieved in three ways:

- define the form of the central city
- set out the locations of key anchor projects to encourage investment and growth
- outline block plans to show what the city could look like in the future

#### 1.4.7 Christchurch Visitor Strategy

Christchurch Development Corporation has worked with key stakeholders including the Council to prepare a new visitor strategy for Christchurch. While this is a high-level document focussed on direction rather than actions, there are opportunities for business associations and other BID operators to work with the Council and other stakeholders to identify opportunities to grow the benefits of a strong visitor sector for Christchurch businesses.

### 1.5 BID programmes as an economic driver

Christchurch City Council supports the BID programme concept and recognises its ability to promote economic activity at the local level and to encourage local decision making.

A BID programme represents its business members at a local level and therefore must have an in-depth understanding of the particular needs of their business community. In undertaking its functions, a BID programme operator **must**:

- a) Undertake activities that are relevant for *its* business community and members.
- b) Not undertake activities that the Council provides under the general rating provision. Members should not 'pay twice' for services within their business area.
- c) Have both a governing Board and operational management function in place to operate the BID programme. A BID programme is expected to function as a business, complete with standard business practices and processes.
- d) Develop the future direction of the BID programme by way of a strategic plan (that looks three to five years ahead) and an annual business plan that lays out the work programme and budget for the coming year and how this will contribute to achieving the goals of the strategic plan.

A BID programme should look to promote economic capability and performance within its business community through providing a framework that enhances:

- Collaboration and connection
- Investment and business attraction
- Innovation and sharing of ideas
- Enterprise and business development and creation
- People skill and expertise development
- Place-making and environmental safety and attractiveness

## 1.6 BID programme activities

A BID programme can undertake any activity its constitution allows but should focus on providing opportunities for business improvement for its members and local business community. BID programme initiatives can include:

- **Building business capacity, capability and connections:** business forums, workshops, business training and development events
- **Business attraction:** attracting key tenants or business sectors to the area to
- **Marketing and promotion:**
  - online presence and directories
  - targeted promotions
  - promotional events
  - place-based brand development
- **Strategic vision (and planning):** working with local business to identify common goals and targets
- **Advocacy:** providing a voice to central and local government on behalf of the local businesses
- **Improving the local business environment:** crime prevention, place-making, public realm improvements, street pride (often in partnership with community boards, Christchurch City Council and CCOs)

## 1.7 Value of a BID programme

The value of a BID programme can be different for each of the partners involved:

- **BID programme operator:**
  - Provides opportunities for business improvement, through the provision of services, support, advocacy and initiatives to enhance the local business environment
  - Provides a regular sustainable income stream. This enables a focus on delivery of strategic and business plan goals and actions, and the ability to take a long-term view of economic opportunities in the area
  - Encourages local business investment, identity and economic development.
- **Community board:**
  - Provides a framework to work collaboratively with local business to achieve community plan goals and local outcomes
  - A mechanism to engage with the business sector in a structured and co-ordinated way.
- **The Council:**
  - Provides a framework to work collaboratively with local business communities to promote local and city-wide economic development goals

- A mechanism to engage with the business sector in a structured and co-ordinated way.
- Enables the Council to promote and work towards high level economic and social wellbeing outcomes.



## **2. Roles and responsibilities**

### **2.1 Christchurch City Council**

The Council will:

- provide information and advice to a BID proponent group or BID operator as appropriate
- decide whether to set a targeted rate to fund a BID programme
- if it agrees to set a targeted rate for a BID programme, set the rate on annual basis providing the funding generated to the BID operator to undertake its work programme
- ensure monitoring and reporting requirements are complied with by the BID operator.

The Strategy and Transformation group of Christchurch City Council, working with relevant community boards, will lead the provision of advice and support for BID programmes.

### **2.2 Community board**

Christchurch City Council community boards must have a close and productive relationship with an organisation operating a BID programme in their local area.

Community boards will:

- provide information and advice to a BID proponent group or operator as appropriate
- advocate to the Council and CCOs on behalf any BID proponent group or operator in their area, where appropriate
- provide a link between the Council, a BID proponent group or operator in their area and the local community
- recommend to the Council that a BID proponent group be supported in progressing to a BID programme if the community board believes this to be appropriate
- recommend to the Council that a new BID programme is established and a targeted rate be introduced following a successful ballot return and the community board being satisfied the BID programme has appropriate support in the community and is considered capable of operating a BID programme successfully
- recommend to the Council whether monitoring and reporting requirements are complied with by the business association or other organisation operating the BID programme

### **2.3 BID proponent group or operator**

The BID proponent group or operator will:

- be a legally constituted incorporated society that is operating a BID programme
- comply with its constitution and the BID policy
- comply with all other relevant laws and regulations
- maintain proper meeting and accounting records demonstrating how the targeted rate and any grant money is used, and make these records available to the Council on request
- implement the agreed programme for its BID area
- provide all required planning and accountability documentation to the Council by the required date, in the required format and to the required standard

### **2.4 Council controlled organisations (CCOs)**

CCOs provide services that can be important to the business community. A CCO is governed by an independent board but is part of the wider Christchurch City Council group. CCOs support the

achievement of Council outcomes and operate in accordance with a statement of intent agreed with the Council.

#### **2.4.1 Christchurch and Canterbury Tourism (CCT)**

The Council-funded destination marketing organisation charged with marketing Christchurch and its region as a great destination for tourism and conferencing. CCT also operates the city's iSite information centre. CCT works with the Council to ensure Christchurch is an attractive and interesting place to visit. Information on CCT's marketing and other initiatives is available from:

[www.christchurchnz.com](http://www.christchurchnz.com)

[www.christchurchconventions.com](http://www.christchurchconventions.com)

#### **2.4.2 Canterbury Development Corporation (CDC)**

CDC is the economic development agency for Christchurch City Council. The fundamental aims of CDC are to:

- Drive regional economic growth
- Plan and forecast economic and workforce dynamics
- Identify and support sectors and businesses with high growth potential
- Be the national leader in the commercialisation of innovation
- Complement and support national and local government aims and initiatives

Information on CDC's priorities and work programme is available from:

[www.cdc.org.nz](http://www.cdc.org.nz)

#### **2.4.2 Development Christchurch Limited (DCL)**

DCL's mission is to support the Christchurch City Council (CCC) and Christchurch City Holdings Limited (CCHL) vision for the city by:

*"Contributing to the enhanced wellbeing of Christchurch through the improved economic, social, community and environmental outcomes that successful development, investment and regeneration projects bring."*

DCL is charged with identifying and implementing key development and regeneration opportunities, particularly in the central city, the residential red zone and New Brighton.

DCL's Statement of Intent, which describes its work programme and priorities, is available from the DCL website:

[www.dcl.org.nz](http://www.dcl.org.nz)

### **3. Operation of a BID programme**

#### **3.1 The constitution (rules of the society)**

A BID operator must be an incorporated society and therefore is required to have a constitution to guide its governance approaches. The constitution must clearly state the approach to be taken to the following matters (though not just these matters):

- Composition, roles and functions of the Board
- Election or appointment of Board members and process to fill vacant positions
- Functions and powers of the organisation
- Notice of AGM or SGM meetings
- Approach to financial management and compliance
- Procedures for resolving disputes between members (in their capacity as members) and between members and the BID programme operator.

#### **3.2 BID programme operator – board responsibilities**

The entity operating a BID programme must be a legal entity, registered under the Incorporated Societies Act (1908) and will have reporting and accountability requirements related to that Act that it is responsible for complying with.

The following details the requirements for a BID programme operator:

- a) Members of the BID programme (BID affiliates) – all business property ratepayers and businesses/tenants who qualify as BID eligible voters and pay the BID programme targeted rate (either directly or indirectly) are considered affiliates of the BID programme. The Board must ensure all affiliates receive all relevant information and communication relating to the development, management and implementation of the BID programme.

For more information see section 6 - Democratic process

- b) Equity of representation - the BID programme operator must use its best endeavours to ensure its board is representative of the membership base. This ensures appropriate representation for the various sectors that may make up the membership.
- c) Clarity of roles – there should be clear differentiation between the governance and management functions. The Board is responsible for governance and strategic direction. Managers, or other agents utilised by the Board, are responsible for operationalising and implementing the direction the Board sets and for regular reporting to the board against relevant performance targets.

In smaller organisations, members of the Board may be involved in practical activities that contribute to the achievement of the organisations goals. In these situations effort must be made to ensure separation of the governance function remains.

- d) Constitution – a BID programme operator must have a constitution that is not inconsistent with the Christchurch City Council BID Policy. The constitution sets out the roles and responsibilities of the organisation, and defines the rules relating to associate members, honorariums, number of board members, quorums, membership qualification and other matters as considered appropriate.

The constitution should include the process for the Board to manage and deal with conflicts of interest, including the development of a register of interests. See section 7.1 for further information on the definition and resolution of conflicts of interest.

A template constitution is available on the Christchurch City Council website BID programme page [ccc.govt.nz/culture-and-community/christchurch/business-improvement-district-programme/](http://ccc.govt.nz/culture-and-community/christchurch/business-improvement-district-programme/)

Constitutions of all incorporated societies are available from [www.societies.govt.nz](http://www.societies.govt.nz)

- e) Planning documents - the board is responsible for ensuring planning documents, including appropriate key performance indicators (KPIs) are prepared. KPIs must be included in the annual and strategic planning documents. The achievement of KPIs, and reporting against them, is a key deliverable of a BID programme operator.
- f) The board as employer - if a BID programme operator employs staff, it must comply with all relevant legal requirements (as an employer). Legislation requiring compliance includes the Employment Relations Act (2000) and the Health and Safety at Work Act (2015).

A BID programme operator should be a good employer, with the following being examples of what can contribute to this:

- employees should have a range of skills that can develop and implement the BID programme into the future. Prominent skills required include advocacy, relationship development and management, facilitation and strategic vision. Specialist technical skills (such as marketing, event coordination, promotions etc.) can be contracted in as required.
  - provide a suitable position description for each employee (including contractors), undertake annual performance and achievement reviews and provide professional development opportunities.
  - any use of a contractor or agency must require a clear and appropriately detailed contract agreement between the contractor/agency and the BID programme operator.
  - a code of conduct should be prepared that provides all staff and volunteers with clear guidance on the standard of conduct expected.
- g) BID Policy and partnership agreement – BID programme operators must meet all requirements of the Council's BID Policy and must sign and comply with all requirements of the BID partnership agreement entered into between the BID programme operator and the Council.
- h) Use of targeted rate grant funds – Christchurch City Council requires the following conditions to be met by a BID programme operator, in regards to the annual BID programme targeted rate funding provided. The targeted rate funding must be:
- applied only to actions identified as being funded by the BID programme targeted rate grant in the BID programme strategic or annual business plan
  - appropriately accounted for by mechanisms organised by the BID programme operator
    - Care should be taken with internal reporting processes relating to the receipt and expenditure of the targeted rate funds. These processes must be transparent to the board and members. These processes will be reviewed as part of the annual audit requirements.

- i) Regular reporting – section 4 refers to regular reporting requirements required by BID programme operators as part of the BID programme
- j) Failure to meet requirements of the BID Policy and partnership agreement – see Section 7 Problems, Issues and Serious Concerns
- k) Insurance - the BID programme operator must maintain public liability and indemnity insurance appropriate for the scale of operation.
- l) Other considerations:
  1. Membership fees – care should be taken when setting any fees to ensure they do not hinder membership engagement and inclusion in the processes and goals of the BID programme.
  2. Associate membership - the entity operating the BID programme may consider associate members (business entities outside the BID programme target rate area) to join, by way of paying a subscription. The constitution will detail any limitations to the membership rights an associate member may be given. This may mean associate members are not entitled to stand for election to the association board or to vote on any matters relating to the BID programme the targeted rate income or expenditure. Associate members must not be a majority of the full membership of the association.

### **3.3 Manager, contractor or agency responsibilities**

The practical day to day management of a BID programme usually sits with a manager, contractor or other agency.

The role of the manager (contractor or other agency) is to progress projects and initiatives as detailed in the business plan or strategic plan. These roles can be full-time or part-time and are often dependent on the funding available.

It is good business practice for all appointments /contractors to have a clear description of their responsibilities, obligations and the BID programme operator’s expectations of the work to be undertaken.

Managing a BID programme requires a range of skills and abilities. It is unlikely that one person will have all the skills to do everything required to run a BID programme. There are, however, fundamental skills that the management function must be able to provide, including:

- advocacy
- strategic planning
- project management
- relationship development
- management reporting
- understanding legal and policy requirements of operating a BID programme and incorporated society

The key day-to-day tasks undertaken by the BID programme management are likely to include:

- implementing the BID programme strategic plan and annual plan
- managing and delivering projects and contracts

- supporting and assisting the Board to comply with requirements of the Council's BID Policy and the entity's constitution
- preparing appropriate reports for each Board meeting detailing progress against objectives (including, if necessary, measures)
- assisting the Treasurer to provide detailed financial reports to each Board meeting for approval including the following:
  - budget to actual cash flow position at the time of each Board meeting
  - projected expenditure and income for the next three months
- maintaining a compliant Health and Safety register
- overseeing the maintenance of the membership database
- managing and supervising all other staff including volunteers

### **3.4 Sector and public engagement**

Contact details of the BID programme operator should be publically available to enable all queries, concerns or information relating to the BID programme to be directed to the BID programme operator or manager in the first instance. There should also be processes in place to ensure records are maintained for resolution and future reference.

The BID manager or chair should provide new property or business owners to the BID area with information on the BID programme and its operation. This may include an invitation to the next business event or Board meeting and an invitation to be a member of the BID programme operator entity.

The BID programme operator should ensure all queries, concerns or requests for information regarding Council functions in the BID Programme are referred to the Council's customer service team or an alternative staff member as agreed.

## 4. Accountability

This section outlines the key accountability requirements for BID programme operators and the Council. The accountability requirements help ensure the BID programme is operating professionally with appropriate financial and management practices in place, information relating to the BID programme is available to members and the required reporting and monitoring is undertaken.

As most or all BID programme funding comes from a targeted rate collected by the Council, some accountability requirements may be unfamiliar to those involved with a BID programme.

### 4.1 Annual planning and reporting requirements

Table 1 outlines the annual planning and accountability requirements of the Christchurch City Council BID Programme. It identifies who is responsible for annual planning and reporting, what needs to be reported and by when.

**Table 1 – BID Programme – annual reporting and planning requirements**

Criteria	Description of planning or reporting requirement	BID programme operator AGM/SGM	Council S&T team	Indicative deadline
1. Annual planning and alignment discussion with Council's Strategy and Transformation team (for the next 12 months)	BID Board to hold initial (informal) discussions with Council officers regarding BID programme annual planning and alignment with Council and community board plans for the next 12 months.	✓ - initial planning only	✓	September
2. Draft annual business plan (for the 12 months from 1 July)	Incorporates aligned strategies and actions from the initial meeting in criteria 1 above: <ul style="list-style-type: none"> <li>• Seek feedback from S&amp;T</li> <li>• Present to Board for approval</li> </ul>	✓	Provide feedback	Prior to distribution of AGM material
3. AGM	Hold an AGM complying with all notification and disclosure requirements	✓		31 October
4. Annual financial statements (for the year just completed)	Annual financial statements are approved and signed off at the AGM	✓		31 October
5. Audit or Review report (for the year completed 30 June)	Signed audit report as approved by the board and approved at the AGM. <ul style="list-style-type: none"> <li>• BID programme with rates income of \$100,000 or more per year must have its financial accounts audited by a registered auditor every year.</li> <li>• BID programme with rates income under \$100,000 but above \$50,000 must have its financial accounts audited every second year (audit of the financial year just completed only), subject to the previous audit report and management letter not raising any serious concerns. The ability to audit only every two years</li> </ul>	✓		31 October

Criteria	Description of planning or reporting requirement	BID programme operator AGM/SGM	Council S&T team	Indicative deadline
	<p>is at the Council's sole discretion. BID programme operators must still produce annual accounts in the non-audit year.</p> <ul style="list-style-type: none"> <li>BID programme with rates income less than \$50,000 must have its annual accounts formally reviewed by a suitably qualified accounting professional.</li> </ul> <p>Note: If the audit report is not presented at the AGM the new Board must, at its first meeting post AGM, approve and accept the audit report.</p> <p>The S&amp;T team at Council must be advised of any non-compliance regarding presentation of accounts at the AGM.</p> <p>Despite the requirements above, the Council reserves the right to tailor the exact financial accountability requirements for each BID programme based on rates revenue and risk.</p>			
6. Annual Review Report	<p>Chairman's end of year report approved at the AGM showing:</p> <ul style="list-style-type: none"> <li>Achievement against KPIs</li> <li>End of year financials</li> <li>Work programme progress</li> </ul>	✓	Forms the basis of S&T report to Council on BID performance	31 October
7. Strategic plan (3 – 5 year)	<p>Outlines strategic direction and BID programme projects (next 3 - 5 years). Preparation should include consultation with members and key stakeholders including the S&amp;T team at the Council.</p> <p>Should show:</p> <ul style="list-style-type: none"> <li>Alignment with CCC community outcomes and relevant strategic plans.</li> <li>Alignment with community board plan.</li> <li>Any future BID boundary changes or amalgamations being considered.</li> </ul> <p>The strategic plan should be approved at an AGM or SGM.</p>	✓	<p>✓</p> <p>Provide strategic and planning advice and feedback on draft strategy</p>	At least every 3 years
8. Annual business plan	<p>Details work programme and budget to deliver on strategic plan outcomes for the financial year starting 1 July.</p> <p>Includes KPI measures and targets.</p>	✓	<p>✓</p> <p>Provide advice and feedback</p>	15 November



Criteria	Description of planning or reporting requirement	BID programme operator AGM/SGM	Council S&T team	Indicative deadline
	<p>Any proposed BID programme boundary changes or amalgamations including a proposed map.</p> <p>If proposing a BID programme boundary change then two draft budgets must be prepared.</p> <ul style="list-style-type: none"> <li>• One based on the existing BID programme.</li> <li>• The other based on the proposed change scenario.</li> </ul>	<p>✓</p> <p>Special resolution</p>	<p>✓</p>	15 November
	<p>Any change to the targeted rate grant and rationale for additional funds.</p> <p>Any change greater than 10% must have Council approval.</p>	<p>✓</p> <p>&lt; 10% = standard resolution</p> <p>&gt; 10% = special resolution</p>	<p>✓</p>	15 November
9. AGM draft minutes	Copy of provisional AGM minutes approving and ratifying all resolutions.			30 November
10. Board constitution	<p>Annual review of constitution including:</p> <ul style="list-style-type: none"> <li>• Registering all conflicts of interest.</li> </ul>	<p>✓</p>		15 December
11. Membership register	Ensure the membership register is up-to-date - requires members to complete and sign a registration form.	<p>✓</p>		Ongoing
12. Companies Office compliance	Comply with all requirements of the Incorporated Societies Act.	<p>✓</p>		28 February or as required
13. Presentation to community board	<p>After the AGM or SGM, present an annual update on the BID programme to the local community board including:</p> <ul style="list-style-type: none"> <li>• Annual report</li> <li>• Strategic plan</li> <li>• Draft business plan for coming year</li> </ul>			28 February
14. Council annual accountability agreement and support documents	After the AGM/SGM - complete agreement and sign (by the chair on behalf of the Board) and send to Council S&T team, along with all required support documents.		<p>✓</p>	10 March

## 4.2 Board accountability

Table 2 outlines the monthly accountability requirements of the Board of a BID programme operator.

**Table 2 – Reporting requirements for Board meetings**

Requirements		Board	Council S&T Team
1. Board meeting agenda	A meeting agenda is provided to Board members and is publically available at least two days prior to the meeting.	✓	✓
2. Draft board meeting minutes	Draft minutes of the previous Board meeting are provided to Board members and is publically available at least two days prior to the meeting.	✓	✓
3. Financial report	To be tabled at each Board meeting including: <ul style="list-style-type: none"> <li>• Budget to actual cash flow position</li> <li>• Projected expenditure and income budget for the following three months</li> </ul>	✓	✓
4. Manager's report	Report on progress against work programmes identified in the Annual Business Plan.	✓	✓
5. Legal compliance	Six-monthly declaration at a meeting of the Board that confirms: <ul style="list-style-type: none"> <li>• Health and Safety register is up to date</li> <li>• Relevant insurance policies are up to date</li> </ul>	✓	
6. KPI Report	Six-monthly detailed progress report on performance against the KPIs detailed in the BID programme Annual Business Plan. Presented to the Board by 15 February.	✓	✓

## 4.3 Key performance indicators (KPIs)

The Board must identify a minimum of three KPI measures to report against on a regular basis. Measures are at the Board's discretion but must be relevant to the objectives and/or goals detailed in the Strategic Plan and/ or Annual Business Plan.

The KPIs may be a combination of:

- Outcome measures – for example 'improved personal safety in the town centre' – this may be a long-term goal and require a range of activities to achieve.
- Output measures – for example 'number of people attending an event' – these are specific goals and easier to measure.

## 4.4 Linking planning and reporting

The BID programme operator must ensure that its strategic plan, annual business plan and budget and the end of year review report documents all link together, providing a full picture of the progress of the BID programme, it's work programme and measured achievements.

**Diagram 1: Linking BID programme planning and reporting documents:**



## 5. Funding

### 5.1 Targeted rate

The Council uses a targeted rate to charge a specific group of ratepayers for a service they alone or primarily benefit from. The Local Government (Rating) Act 2002 provides the mandate to set a targeted rate for a defined area and activity, such as a BID programme.

One of the key advantages of a BID programme is the ability to generate financial stability via the annual BID programme targeted rate grant.

This funding approach provides the BID programme operator with a base income to implement the BID programme strategic plan and annual business plan.

### 5.2 Information about the rate funding

- a) The Local Government (Rating) Act enables a council to set a targeted rate within a defined area of benefit. For BID programmes, the area is defined in the BID programme map.
- b) The BID programme operator is responsible for setting annual income and expenditure budgets in support of the BID programme's strategic plan and annual business plan. The Council, as the rating authority, has the final decision regarding whether the rate will be set and how much it will be.
- c) The BID targeted rate is applied to all non-residential properties within the BID programme boundary (with some specific exceptions). The rating year commences on 1 July.
- d) The targeted rate funding is passed on to the BID programme operator as a grant. It can be used to fund any activity that supports local economic development within the targeted rate area that is included in the work programme in the BID operator's Annual Plan. The funding must not be used for the provision of any service that is otherwise provided by the Council and funded from the general rate.
- e) The grant is paid to the BID operator in equal quarterly payments - July, October, January and April. As the rate revenue is paid to the BID programme operator as a grant it does not include GST.
- f) The grant funding provided is the amount budgeted in the Council's Annual Plan. Any under or over collection of rate revenue is reconciled through the following years budget.

### 5.3 End of year variance – Christchurch City Council

Actual rates collected can vary from forecast due to changes to the use and/or value of properties between the time property values are analysed in late May/early June and when rates for each property are set. Changes may also occur if a property owner objects to a valuation or provides information about their property during the financial year that results in a change to the rateable value of the property.

The Council will reconcile the actual rate funding collected and the sum resolved by the Council through its annual plan prior to setting the targeted rate for the following year.

The BID operator Board will be advised of any surplus or deficit. If more rate funding has been collected than budgeted, the additional funds will be held by the Council and then deducted from the rate requirement for the following year.

If less rate funding is collected than budgeted, the difference will be added to the rate requirement for the following year.

In both scenarios the BID programme grant will be the amount budgeted in the Council's annual or long-term plan.

#### **5.4 Properties exempt from paying the BID targeted rate**

Owners and occupiers of properties exempt from paying the BID programme targeted rate (and who are not eligible to vote in any BID programme ballot) include:

- a) Business owners who give a business address which is a non-residential property within the BID programme boundary but:
  - do not physically run their business from that address
  - is not the registered address of the business as listed on the Companies Office website <https://www.business.govt.nz/companies/>
- b) Council owned properties - excluding any portion of the property used for business activity
- c) Residential property owners - excluding any portion of the property used for business activity
- d) State and integrated educational facilities - excluding any portion of the property used for business activity
- e) Religious facilities/ places of worship - excluding any portion of the property used for business activities
- f) Any other property that receives a full remission of rates under the Council's Rate Remission Policy. Note that properties that have rates remitted may still be required to pay user charges which alone does not qualify for voter eligibility.

The rating of specific properties will be in accordance with the wording of the Council's rates resolutions, the Financial Impact Statement and Revenue and Financing Policy.

#### **5.5 Options for setting a BID programme targeted rate**

There are three options for setting the BID programme targeted rate, these are:

- a) Capital value rate
- b) Fixed charge rate
- c) Combination of a and b

Implications of differing rating options:

- a) **Capital value rate** – The rate is calculated by taking the BID programme grant funding requirement and dividing it by the total capital value of business properties located within the BID programme boundary to get a rate value per dollar of capital value. The rate is then assessed against each rateable business property according to the capital value of each property. Properties with a higher capital value pay a proportionately higher rate than properties with a lower capital value.

- b) **Fixed charge rate** – The rate is calculated by taking the BID programme grant funding requirement and dividing it by the number of rateable business properties located within the BID programme boundary. Every business property required to pay the rate pays the same amount.
- c) **Combination** – the rate is set using a fixed charge rate component (all business properties pay the same amount) plus a proportional rate component for each business property based on the capital value of the property.

An analysis of the most appropriate rating approach will be undertaken by the Council in consultation with the BID programme proponent as part of any BID proposal. It is likely that a combination of capital value and fixed charge rates will be the most appropriate approach for most BID programmes.

## 5.6 Change to the total rate requirement

The BID programme operator may seek to increase or decrease the annual targeted rate grant amount. This could be on the basis of:

- an increase or decrease in the rate requirement for a fixed period of time (one or more years only), or
- a permanent increase or decrease in the targeted rate revenue to a new baseline level.

The BID programme operator must be clear whether a change is intended to be for a fixed period or permanent and record the intention and reason for the change in its annual plan. This must be presented at the AGM in the year previous to the proposed budget change coming into effect. The reasons for the proposed change to the income and expenditure budget in the upcoming year must be clearly identified and communicated to members.

The Council's BID Policy limits the change in the targeted rate grant amount to no greater than 10 per cent. The Council, as the rating authority, must pass a resolution to depart from the policy if it is to agree to an increase or decrease greater than is permitted under the policy. The Council is under no obligation to agree to such a change.

## 6. Democratic process

A key feature of a BID programme is that it is driven by the people who benefit from having the programme in place - businesses in the BID area. They decide whether to establish a BID and, once established, what the objectives will be and how it will operate.

Supporting this approach is the principle of democracy. Members of the BID programme have equal rights and are allowed to participate in making important decisions, either directly (voting on a decision) or through an elected board acting on behalf of the membership.

### 6.1 BID programme ballots

The Council's BID Policy identifies key processes associated with the establishment and operation of a BID programme that require a ballot to be undertaken as part of the decision-making process. These are:

1. BID programme establishment
2. BID programme disestablishment
3. BID boundary expansion or reduction
4. BID programme and boundary amalgamation.

Each requires the BID proponent or operator to undertake the following:

- a) Compile an eligible voter list. The list must be as up-to-date and accurate as possible and include both business ratepayers and business owners who occupy properties that pay (or will pay) the targeted rate.
- b) The voter list will be compiled using information from:
  - Christchurch City Council database<sup>1</sup> of business property ratepayers in the proposed or existing BID programme area<sup>2</sup>.
  - A list of all businesses in the proposed or existing BID programme area captured by the BID proponent or operator.
  - Information should include:
    - Ratepayer name(s) on rates notice
    - Name of business occupier
    - Name of owner (if known)
    - Name of representative (if applicable)
    - Name of business or property entity
    - Contact details including: physical address; postal address; email and phone
    - Voter's preferred method of communication.
- c) The ballot is based on the principle of 'one entity – one vote', an entity being a ratepayer and/or a business/occupier:
  - Ratepayer entity – the ratepayer for any particular property may be:
    - a single ratepayer (one individual named)
    - joint ratepayers (more than one individual named)

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<sup>1</sup> Use of the information provided is restricted by the Local Government (Rating) Act and the Privacy Act. Christchurch City Council will provide further information to the BID operator regarding these restrictions at the appropriate time.

<sup>2</sup> Christchurch City Council's database is constantly reviewed and amended. Like any database, however, there will be anomalies. The BID proponent group or BID operator is required to compare the ratepayer database with their business database and complete a street-by-street sight check so any anomalies can be checked prior to finalising the ratepayer database before any ballot process.

- entity ratepayer (a firm, company, trust, corporation or society).

Each ratepayer is entitled to one vote regardless of the number of rateable properties owned in the boundary area (data provided from Christchurch City Council's rating database).

- Business/occupier entity - a business located and run within a property. Each business/occupier entity is entitled to one vote (data captured by the BID proponent group or operator).
- Multiple ownership - ratepayer with a number of properties is entitled to one vote.
- Owner/ occupier - entitled to one vote.

Each entity must nominate one person to be the eligible voter and will get one vote.

- Proxy and absentee voters are not permitted. Voters who will be absent from their registered address during the ballot period should provide a forwarding address to enable information and ballot papers to be sent.
- Voting status - in the event an individual believes he or she is entitled to vote but does not appear on the eligible voters' list, the electoral officer shall determine the status of the individual and whether a ballot should be issued.

**6.2 Method of voting** - Ballot papers and information will be issued by post, and the ballot can be completed either online or by return mail (electoral officer or independent election agent to decide on options to be available).

**6.3 BID ballot mandate** – minimum mandate requirement is:

- A valid BID ballot must achieve a threshold **of at least 50%** of the total voting forms being returned.
- Of the returned voting forms, **a minimum of 66%** of the votes must be in favour of the proposal raised on the voting form to achieve a mandate<sup>3</sup>.
- Failure to reach the mandate will result in a two year stand down period before another ballot can be undertaken.

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<sup>3</sup> The Council has the final decision regarding accepting the achieved mandate for voting on BID programmes.



## **7. Problems, Issues and Serious Concerns**

Christchurch City Council accepts situations can arise where parties to a BID programme are unable to find common ground. All parties are encouraged to work proactively together to resolve issues between themselves, prior to resorting to formal processes of mediation or arbitration.

Problems, issues or serious concerns can arise for a number of reasons, including a lack of transparency, inadequate communication and conflict of interest situations. BID programme operators are required to advise the Council of situations which they believe could be defined as a problem or issue.

The majority of problems or issues can be resolved by referring to the governing documents (constitution or rules of the society), the BID Policy and Operating Standards documents. It is expected that BID programme operators will have governing documents that are robust and detailed enough to guide the Board to resolve a problem, issue or serious concern.

This document provides a process to address problems, issues and serious concerns using a stepped process of intervention and outlines the parties involved and decision making process.

### **7.1 Conflicts of interest**

There are a number of conflict of interest situations (either real or perceived) that can arise that if not addressed have the potential to become a serious concern. A BID operator's constitution must detail how it will deal with conflicts of interest, including the development of a register of interests.

Table 4 provides examples of conflicts of interest and their resolution. Note: this is not an exhaustive list.

**Table 4: Conflicts of interest and resolutions**

Potential conflicts	Potential resolution
<b>Board member</b>	
<ul style="list-style-type: none"> <li>Board decision may result in direct personal or business gain for a Board member (includes any potential direct benefit to family and friends of a Board member).</li> </ul>	<ul style="list-style-type: none"> <li>Record actual/potential/perceived conflict on the interest register.</li> <li>Board member affected does not take part in discussion or voting relating to this matter.</li> </ul>
<b>BID manager</b>	
<ul style="list-style-type: none"> <li>BID manager or contractor may directly benefit from a Board or programme procurement (includes any potential direct benefit to family and friends of a manager or contractor).</li> </ul>	<ul style="list-style-type: none"> <li>Manager or contractor should declare the potential conflict at a Board meeting and the Board decides how best to proceed - this may result in the manager or contractor not participating in any processes associated with the decision.</li> </ul>
<b>Council or community board member:</b>	
<ul style="list-style-type: none"> <li>As a business owner or business representative elected onto the Board.</li> </ul>	<ul style="list-style-type: none"> <li>An elected member must only represent their property or business interest and not that of the Council or community board.</li> <li>Only an elected member appointed to represent the Council or community board on the BID programme can represent the Council or community board.</li> </ul>
<ul style="list-style-type: none"> <li>As a BID affiliate attending Board meetings and not elected onto the BID programme board.</li> </ul>	<ul style="list-style-type: none"> <li>Any BID affiliate can attend a Board meeting as an observer. An elected member must refrain from joining discussions on any Board matter and attend as an observer only.</li> </ul>
<ul style="list-style-type: none"> <li>Undertaking BID programme management.</li> </ul>	<ul style="list-style-type: none"> <li>There is no legal restriction on an elected member undertaking a management function. Note: BID managers or management contractors are responsible to the Board for all employment/contractual matters.</li> <li>Elected members have a legal obligation to balance their interests when asked to make a decision (at a community board or Council meeting) affecting a BID programme they manage. This could include the member standing back from any discussion or voting on a matter regarding the BID programme.</li> </ul>
<ul style="list-style-type: none"> <li>BID programme resources (targeted rate funds) used for any political purpose.</li> </ul>	<ul style="list-style-type: none"> <li>BID programme resources cannot in any circumstances be used to endorse or support a particular candidate or political party.</li> </ul>

## 7.2 Stepped process of intervention

Table 5 outlines potential solutions to address problems, issues and serious concerns by a stepped process of intervention and outlines the parties involved and decision making process.

**Table 5: Stepped process of intervention to resolve a problem, issue or serious concern**

Steps	Problem	Issue	Serious Concern
<b>Who's involved</b>	<ul style="list-style-type: none"> <li>• BID programme operator</li> <li>Or</li> <li>• Council BID programme</li> </ul>	<ul style="list-style-type: none"> <li>• BID programme operator</li> <li>Or</li> <li>• Council BID programme</li> </ul>	<ul style="list-style-type: none"> <li>• BID programme operator</li> <li>Or</li> <li>• Council BID programme and;</li> </ul> <p><b><i>Presents unacceptable risk to the BID programme</i></b></p>
<b>Problem solving</b>	<ol style="list-style-type: none"> <li>1. Refer to constitution</li> <li>2. Refer to BID Policy and Operating Standards</li> <li>3. Refer to Council S&amp;T team.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to constitution</li> <li>2. Refer to BID Policy and Operating Standards</li> <li>3. Refer to Council S&amp;T team.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to constitution</li> <li>2. Refer to BID Policy and Operating Standards</li> <li>3. Refer to Council S&amp;T team</li> <li>4. Seek legal advice.</li> </ol> <p><b><i>Manage any risk associated with:</i></b></p> <ul style="list-style-type: none"> <li>• <b><i>BID programme</i></b></li> <li>• <b><i>BID ratepayers</i></b></li> <li>• <b><i>BID rate revenue</i></b></li> <li>• <b><i>Wider Council BID programme</i></b></li> </ul>
<b>Communication</b>	BID programme operator advises: <ul style="list-style-type: none"> <li>• Board</li> <li>• Council S&amp;T team</li> </ul>	BID programme operator advises: <ul style="list-style-type: none"> <li>• Board</li> <li>• Council S&amp;T team</li> </ul> Council S&T team advises as required: <ul style="list-style-type: none"> <li>• Board</li> <li>• Community Board</li> </ul>	BID programme operator advises: <ul style="list-style-type: none"> <li>• Board</li> <li>• Council S&amp;T team</li> <li>• Membership via SGM (if relevant)</li> </ul> Council S&T team advises: <ul style="list-style-type: none"> <li>• Board</li> <li>• Community Board</li> <li>• Council as appropriate</li> </ul>
<b>Actions</b>	BID programme operator <ul style="list-style-type: none"> <li>• Resolve based on policy and operating standards</li> <li>• Seek specialist advice</li> <li>• Mediation process</li> </ul>	BID programme operator <ul style="list-style-type: none"> <li>• Resolve based on policy and operating standards</li> <li>• Inform Council S&amp;T team</li> <li>• Board meeting with Council S&amp;T team</li> <li>• Seek specialist advice</li> <li>• Mediation process</li> <li>• Regular reporting to S&amp;T team</li> </ul> Council S&T team <ul style="list-style-type: none"> <li>• Discuss with community board (if appropriate)</li> <li>• Guide BID Board on actions</li> <li>• Signpost to advisors</li> <li>• Monitor and record progress</li> </ul>	BID programme operator <ul style="list-style-type: none"> <li>• Resolve based on policy and operating standards</li> <li>• Inform Council S&amp;T team</li> <li>• Board meeting with Council S&amp;T team</li> <li>• Seek specialist advice</li> <li>• Seek legal advice</li> <li>• Mediation process</li> <li>• Regular reporting to the S&amp;T team</li> </ul> Council S&T team <ul style="list-style-type: none"> <li>• Discuss with community board</li> <li>• Seek specialist advice</li> <li>• Seek legal advice</li> <li>• Monitor and record</li> <li>• Regular reporting to community board and BID Board</li> </ul>

Expected Outcome	BID programme operator <ul style="list-style-type: none"> <li>• Processes:             <ul style="list-style-type: none"> <li>○ Developed</li> <li>○ Implemented</li> <li>○ Improved</li> </ul> </li> <li>• Inform Council S&amp;T team of resolution</li> </ul> Council S&T Team <ul style="list-style-type: none"> <li>• Record outcome</li> </ul>	BID programme operator <ul style="list-style-type: none"> <li>• Concern resolved</li> <li>• Processes:             <ul style="list-style-type: none"> <li>○ Developed,</li> <li>○ Implemented or</li> <li>○ Improved</li> </ul> </li> </ul> Council S&T team <ul style="list-style-type: none"> <li>• Capture and record progress and outcome.</li> </ul>	BID programme operator <ul style="list-style-type: none"> <li>• Serious concern resolved:</li> <li>• Processes:             <ul style="list-style-type: none"> <li>○ Developed,</li> <li>○ Implemented or</li> <li>○ Improved</li> </ul> </li> </ul> Council S&T team <ul style="list-style-type: none"> <li>• If not resolved advise the community board to either:             <ul style="list-style-type: none"> <li>○ Recommend the Council withhold funds</li> <li>○ Place BID programme and funding with Council for interim management</li> <li>○ Request ballot to test support for continuing the BID programme</li> </ul> </li> <li>• Record progress and outcome.</li> <li>• BID programme management returned to BID operator</li> </ul>
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### 7.3 Serious concern - Council intervention

Where a BID programme operator is not able to remedy a serious concern it may be necessary for the Council to directly manage a BID programme (and rate funding) on an interim basis until either the matter is resolved and the Board can resume control or the BID programme is disestablished.

Council interim management of a BID programme and funding can be expected to include the following elements:

- Council will develop an action plan (up to 2 years) to ensure the BID programme continues to deliver benefits to the business area
- Council may contract a manager, management company or another BID programme operator to manage the work programme
- During the interim management period the Council will look to continue to work with the Board to improve their ability to govern and manage the BID programme.
- The Council will aim to hand back the management and governance functions to the Board as soon as practicable.

Interim management may take time to set up, including the appointment of a manager. The Council may withhold funding as an immediate measure. Where funding is withheld it will be held in a separate account by the Council to fund the BID programme activities/management on an interim basis.

If interim management by the Council does not lead to the rebuilding of an independent and sustainable BID programme operator, the Council will either:

- a) disestablish the BID programme; or
- b) hold a ballot to test the mandate for the BID programme. This would only be done if the Council sees benefit in having the BID programme continue under Council management.

This action only relates to the BID programme and not the operation of the entity operating the BID programme (e.g. a business association), which is governed by the Incorporated Societies Act, their constitution and their membership.

#### **7.4 Requesting a ballot to test a BID programme mandate**

There are three parties who may request a review of a BID programme mandate:

- a) The BID programme operator – Board initiated
- b) The BID programme – membership initiated
- c) Christchurch City Council.

A Board or member-initiated request to review will require the parties to first refer to the BID programme operator constitution to understand and identify the necessary steps and processes required to bring the matter(s) before the membership to decide or confirm the review. In the first instance all requests must be directed to the Board chair.

A review of this type only applies to the operation of the BID programme. An entity either operating a BID programme or otherwise involved with the BID programme can continue to operate under its own constitution.

Each of the three avenues for initiating a review of the BID programme will require a ballot which must follow the process outlined in the BID Policy and this document.

**a) Board-initiated review** - the Board may decide it is no longer in the best interests of members to continue with the BID programme. To initiate a review of the BID programme, the Board must:

- Formally notify the Council's S&T team, as soon as a resolution has been passed at a Board meeting. A copy of the minutes must be forwarded to the Council's S&T team, and;
- Formally notify all members (as directed by the constitution and by way of a special resolution) at the next AGM or at a SGM for approval to undertake a review of support for the BID programme via a ballot, and;
- Formally notify the local community board, as soon as possible following the AGM/SGM if a special resolution has been approved by members and forward a copy of the meeting minutes to the Council.

In the event of the members voting to retain the BID programme, the Council's S&T team will discuss the options available to either continue the BID programme or to revisit the proposal to review with the members.

**b) Member-initiated review** – a member may bring a request to the Board to hold a ballot to review the level of support for the BID programme. A request of this type should be signed by at least one-third of the membership for a review to be considered.

The member(s) must notify the Council's S&T team as soon as possible. The member(s) must follow the processes outlined in the constitution to bring a resolution before an AGM/SGM.

Note: the Board may request the member to provide evidence in support of the request.

**c) Christchurch City Council-initiated review.** The Council may (in exceptional circumstances) undertake a ballot to test the mandate to continue a BID programme.

If the ballot does not provide a mandate to continue the BID programme, the Council may decide to discontinue the BID programme. Matters that would need to be considered in the event a decision is made to discontinue include:

- Orderly wind-up of BID activities – the commitments the BID has to future business need to be identified and where possible terminated and suppliers and service providers dealt with fairly and appropriately.
- BID programme targeted rate funding – the BID programme targeted rate, as shown in the Council's annual plan, will continue to be collected until the end of the financial year (30 June). Funds will be used to pay the costs associated with an orderly wind-up process. Any residual funding will be allocated according to the wind-up clause in the BID association constitution.
- Accountability and reporting – the BID association must continue to meet all accountability and reporting requirements for the final financial year of operation.

See also Section 9 - BID establishment, disestablishment, expansion/reduction and amalgamation.

## **7.5 Mediation**

When seeking resolution of a problem, issue or serious concern it could be prudent to use a mediation process to progress. A mediation process allows the parties to concentrate on the problem or issue and allow a mediator to facilitate discussion to assist the parties to come to an agreement.

The party making the request for mediation should invite the chairperson of the New Zealand Chapter of Lawyers Engaged in Alternative Dispute Resolution (LEADR) to appoint a mediator. All discussion in the mediation will be without prejudice and will not be referred to in any later proceedings. The parties will bear their own costs of mediation and equally share the mediator costs.

If the problem or issue is not resolved within 30 days of the appointment of the mediator by LEADR, any party may refer the matter to arbitration by a sole arbitrator in accordance with the Arbitration Act 1996. The award in the arbitration will be final and binding on the parties.

## **8. Maximising financial sustainability of a BID programme**

### **8.1 Objectives**

Financial sustainability, through the targeted rate income stream, is the significant difference setting a BID programme apart from other business collaborations and associations. The targeted rate provides a guaranteed income with no cost to the BID programme operator to collect the funding or monitor and enforce payment. This maximises the proportion of revenue that can be devoted to achieving the aims of the BID programme.

While the rates revenue provides a guaranteed income, BID programme operators will be encouraged to develop additional revenue streams to augment rates revenue. Additional sources of income enable the rate requirement to be kept to a minimum while providing income to provide additional services to benefit the business district.

There may be economies of scale efficiencies available to a BID programme which result in BID boundaries extending or BID programmes amalgamating where there is a clear benefit for this to occur. The aim is for BID programme operators to leverage their income, scale and networks, in order to maximise the value and benefit provided to their members and, in turn, influence the growth of the local economy.

A BID programme operator should be sensitive to changes in their operating environment, technology and cash flow opportunities and partnership opportunities that emerge. Taking advantage of opportunities as they arise should be considered part of the ongoing review of direction (strategic and business planning).

It is the role of the Board and manager to take advantage of changes and proactively evolve the BID programme.

### **8.2 BID programme change opportunities**

BID programme change opportunities can arise from a number of situations including:

- Changes to the business environment – new businesses moving in, existing businesses expanding.
- Changes to land and/ or property use – development of land for new purposes, sometimes through District Plan zone changes, property redeveloped for different use (for example warehousing developed for retail or office space).
- The business area footprint increasing as land and/ or property on the periphery of an existing BID area changes use.
- Changes to a neighbouring BID programme that may present opportunities to amend the BID programme boundary.
- Growth of particular business sectors within the BID area.
- BID programme securing project funding from government or local government agencies.
- Opportunities for new partnerships and alliances with other BID programme operators or individual businesses.
- Revenue generating opportunities being identified - for example, delivery of services.

### 8.3 BID programme change that can be facilitated via the BID Policy

- a) **BID programme area expansion** – a BID programme area expansion increases the scale of the BID programme and its revenue base. The new area needs to fit logically with the existing area in terms of the BID programme being able to effectively deliver benefit to the businesses in the expanded area. Growth for growths sake is unlikely to deliver improved overall benefits.

Any plan to expand a BID boundary needs to be discussed by the Board and, if considered viable, the decision to propose an expansion to the boundary should be included in the programme's strategic and business plans. A proposal to expand a BID boundary must be put to a ballot of eligible voters in the expansion area only.

- b) **Amalgamation of two or more BID programmes** - a BID programme operator may see opportunities to increase the value to its members, and its ability to achieve its goals through amalgamating with another BID programme. The process to undertake BID programme amalgamation is outlined in section 9.

An amalgamation should leverage the combined resources to deliver increased overall benefit and support to members in the expanded area.

A BID programme amalgamation process may be a long term goal that requires commitment and cooperation from each BID programme involved. An amalgamation requires a ballot of the membership of the affected BID programmes and approval by the Council.

### 8.4 Other change and growth opportunities

A BID programme operator may explore opportunities to partner with other organisations to achieve BID programme goals or outcomes. Examples of such outcomes may be the desire to reduce youth unemployment, to increase visitor numbers or to attract new businesses to an area.

Growth opportunities that can be considered and facilitated by a BID programme operator include:

- Increasing external revenue streams - through grants, sponsorships, business ventures or selling services.
- Working collaboratively – identifying and working with partner organisations that have shared goals. Collaboration can spread the cost of achieving shared goals and avoid duplication of services.
- Shared services and service contracts – BID programme operators could also explore working together to provide services. This approach can reduce costs for participating organisations and also generate new income streams for those providing a service. Shared services could include security, marketing, management of other BID programmes, one-off contracts.

Good business practice should be followed when entering formal agreements to work with other parties. These should include:

- Analysis of opportunities to identify those that will deliver benefits to all parties involved. Working with multiple organisations can be complex and have significant costs at establishment - ongoing benefits that offset the costs are therefore essential.
- Development of a formal business agreement between the parties involved.



- Recording of a resolution to enter the agreement by the Board. Discussion recorded in the minutes should capture the details, parties involved, objective, outcome and all relevant costs associated with the business agreement.
- Review period – all formal agreements or contracts should have a review period for all parties to evaluate the value of the agreement and re-establish or renegotiate the delivery.

## **9. BID programme establishment, expansion/reduction, disestablishment or amalgamation**

### **9.1 Principles of collaboration and community wellbeing**

A BID programme is a collaborative, business-led approach within a defined business community that looks to understand and improve the local business environment. Sharing these basic principles is an essential pre-requisite to embarking on the establishment and operation of a BID programme. This involves concepts such as:

- The willingness of members to get involved in the development of their area.
- An in-depth understanding of the local business environment.
- Often there will be a 'catalysing issue' that galvanises interest and a call to action.
- An understanding of what can be achieved through common effort.
- Working collaboratively with a range of stakeholders including businesses and local government.

Establishment or amendment of a BID programme should be undertaken in a considered way, bringing affected businesses and properties owners into the process in ways that promote buy-in and support. This process should not be rushed and may take two years or more to complete. These processes require considerable effort and resources (time and money).

### **9.2 CCC contestable grant funding**

The Council understands the transition to becoming a fully functioning BID programme can require undertakings that a business association or similar organisation may need assistance with or won't have the immediate financial resources to fund. To assist in moving to full BID programme status the Council has introduced a contestable grant fund that can be applied to for funding for a specific project to move towards full BID programme status.

Funding can be used for projects such as website development, communications with businesses, professional advice, undertaking a BID ballot. The grant funding criteria and application processes will be available on the Council website when funding is available.

### **9.3 Criteria for consideration of BID programme establishment**

Criteria for establishment of a BID programme are detailed in Appendix 3 of this document. The criteria are to ensure that:

- a) The BID proponent organisation has a maturity in its operations and its relationships with the Council and other key stakeholders that indicate it will successfully manage a BID Programme.
- b) Council resources are directed at establishment of new BID programmes focused on areas that provide the greatest opportunity for economic development.

Table 5 below sets out the actions to be completed for each programme of work.

**Table 5 - BID programme establishment process**

The actions listed below will normally be completed in the order shown. For a process to change BID area boundaries, amalgamate BID programmes or change the rating mechanism the process is tailored based on these steps. The actions detailed in this table may not, however, be discrete steps – practicalities mean some may overlap or be concurrent and each situation is likely to be different.

Action	Description of requirements and criteria to establish a BID programme	BID establishment	BID Dis-establishment	BID area expansion/ reduction	BID amalgamation	BID rating mechanism change
1. Initial discussions	<p>Business representatives meet with Council staff and the local community board to discuss the BID programme concept, opportunities and requirements.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>Presentation to interested business people</i></li> <li>• <i>Decision to pursue or not</i></li> </ul>	✓	✓	✓	✓	✓
2. BID Proponent Group formed	<p>BID proponent group formed to undertake feasibility assessment and guide process to establishment or decision not to proceed.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>BID proponent group formed</i></li> <li>• <i>Community board engaged to advise/ assist.</i></li> <li>• <i>Indicative project plan prepared</i></li> </ul>	✓				
3. Initial assessment of need and support	<p>Initial engagement with affected parties and eligible voters to assess:</p> <ul style="list-style-type: none"> <li>• Need for BID – what needs fixing</li> <li>• BID response – what will it do</li> <li>• Willingness to pay – targeted rate</li> <li>• Support for overall proposal.</li> </ul> <p>Should include a survey of business needs and support for BID services and identify support for proposed changes to an existing BID programme.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>Survey results show need and support for a BID programme to be established.</i></li> <li>• <i>Indicative service delivery options identified based on engagement findings – what would a BID deliver for the area</i></li> <li>• <i>Initial assessment indicates a willingness of businesses to pay a targeted rate and the ability to</i></li> </ul>	✓	✓	✓	✓	✓

Action	Description of requirements and criteria to establish a BID programme	BID establishment	BID Dis-establishment	BID area expansion/ reduction	BID amalgamation	BID rating mechanism change
	<i>raise sufficient funds from the targeted rate</i>					
4. Indicative BID area map	<p>Proponent group and Council staff prepare indicative BID area boundaries and define on a map. S&amp;T team will provide a GIS map of the final proposed BID boundary.</p> <p><b>Output</b></p> <ul style="list-style-type: none"> <li>• <i>GIS map with the proposed BID area clearly marked.</i></li> </ul>	✓		✓	✓	
5. Preliminary BID programme planning	<p>BID proponent group prepares a preliminary business plan based on information captured in the initial assessment – 2 above.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>Preliminary business plan detailing:</i> <ul style="list-style-type: none"> <li>• <i>rationale for BID programme</i></li> <li>• <i>planned activities</i></li> <li>• <i>estimated cost of service delivery</i></li> <li>• <i>initial estimates of targeted rate requirement (Council rates team)</i></li> </ul> </li> </ul>	✓	✓	✓	✓	✓
6. Community board approval	<p>BID proponent group and Council S&amp;T team workshop proposal with relevant community board(s). Report on proposal is put to the community board seeking support for proposal to continue.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>Community board(s) workshop or presentation is held</i></li> <li>• <i>Community board approval of proposal</i></li> </ul>	✓ Completed at preliminary stage	✓	✓	✓	✓
7. Detailed project plan and timeline	<p>BID proponent group prepares a detailed project plan and timeline that fits the Council's planning and reporting requirements.</p> <ul style="list-style-type: none"> <li>• Identify the ballot period</li> <li>• When (if successful) the BID targeted rate will be struck.</li> </ul> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>Detailed project plan and time line including reporting deadlines is provided.</i></li> </ul>	✓ Completed at preliminary stage	✓	✓	✓	✓
8. Formal notification to Council.	BID proponent group submits detailed proposal (with community	✓	✓	✓	✓	✓

Action	Description of requirements and criteria to establish a BID programme	BID establishment	BID Dis-establishment	BID area expansion/ reduction	BID amalgamation	BID rating mechanism change
	<p>board endorsement) to the Council via staff report.</p> <p>Proposal based on work to date and community board support.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>Formal notification advising Council of proposal including:</i> <ul style="list-style-type: none"> <li>• <i>BID programme map</i></li> <li>• <i>BID programme documents</i></li> <li>• <i>Support evidence</i></li> <li>• <i>Project plan and timeline.</i></li> </ul> </li> <li>• <i>Council resolution approving proposed BID programme being progressed.</i></li> </ul>					
9. Eligible voter database	<p>BID proponent group compiles the eligible voter database for the proposed BID programme boundary area.</p> <p>CCC rates team provides business ratepayer details.</p> <p>Proponent group responsible for capturing all other required information.</p> <p>Electoral officer or election contractor compiles final roll of voters.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>Database of eligible voters</i></li> <li>• <i>Official roll of voters.</i></li> </ul>	✓	✓	✓	✓	✓
10. Targeted rate modelling and proposal	<p>CCC rates team work with BID proponent group and S&amp;T team to model targeted rate options and decide on the most appropriate rating approach.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>• <i>Proposed targeted rate mechanism and amount identified</i></li> <li>• <i>BID proponent group approves proposed approach by resolution.</i></li> </ul>	✓		✓	✓	✓
11. Detailed draft business plan and budget	<p>BID proponent group prepares detailed draft business plan and budget that identifies:</p> <ul style="list-style-type: none"> <li>• Key issues and opportunities</li> <li>• Goals or objectives</li> <li>• Proposed work programme</li> <li>• Detailed budget</li> <li>• Implementation plan</li> </ul> <p><b>Output:</b></p>	✓		✓	✓	

Action	Description of requirements and criteria to establish a BID programme	BID establishment	BID Dis-establishment	BID area expansion/ reduction	BID amalgamation	BID rating mechanism change
	<ul style="list-style-type: none"> <li>Detailed draft business plan and budget.</li> </ul>					
12. BID proponent group membership approval	<p>Full proposal is presented to BID members at AGM/SGM.</p> <p><b>Output:</b></p> <ul style="list-style-type: none"> <li>Proposal is included on AGM/SGM agenda, including all supporting information and documents</li> <li>Proposal is approved by AGM/SGM</li> </ul>		✓	✓	✓	✓
13. Council approval	<p>The Proponent Group must provide the Council S&amp;T team with all information supporting a request to move to a ballot of eligible voters. This will include a summary of eligible voter engagement undertaken, proposed voting form and the information and documents to be included in a ballot pack.</p> <p><b>Evidence:</b> Council receives and approves the BID programme support information and ballot information pack.</p>	✓	✓	✓	✓	✓
14. Eligible voter engagement	<p>BID proponent group develops and implements a campaign plan/ communication plan to ensure all eligible voters receive information required to make an informed decision. This includes hosting at least 3 public meetings.</p> <p><b>Evidence:</b> a copy of communication plan, public meeting attendance, media and publicity and any other support evidence that shows the Proponent Group has completed the required consultation.</p>	✓	✓	✓	✓	✓
15. BID ballot	<p>Electoral officer or independent election service provider undertakes ballot.</p> <p>Note: all ballots must be completed by the end of April in any one year.</p>	✓	✓	✓	✓	✓
16. Mandate	<p>Ballot must achieve thresholds required for a mandate.</p> <ul style="list-style-type: none"> <li>At least 50% of voting forms returned.</li> </ul>	✓	✓	✓	✓	✓

Action	Description of requirements and criteria to establish a BID programme	BID establishment	BID Dis-establishment	BID area expansion/ reduction	BID amalgamation	BID rating mechanism change
	<ul style="list-style-type: none"> <li>At least 66% of returned voting forms in favour of the proposal.</li> </ul> <p><b>Evidence:</b> voting report from the electoral officer or independent election agent verifying the ballot result.</p> <p><i>Note: if the ballot fails to deliver a mandate there is a two year stand down period from the ballot date before a new ballot can be held</i></p> <p><b>Exceptional or unexpected circumstances</b> – the Council reserves the right to agree to:</p> <ul style="list-style-type: none"> <li>A shorter stand down period or</li> <li>The establishment or change of a BID programme without the mandate being achieved.</li> </ul>					
17. Proponent Group membership approval of the ballot result	<p>Proponent Group includes ballot results, ballot documents, BID programme map, budget and other support documents included in the ballot pack to support a special resolution at an AGM/SGM.</p> <p><b>Evidence:</b> AGM/SGM agenda and meeting minutes including:</p> <ul style="list-style-type: none"> <li>Resolution supporting implementation of the proposal</li> <li>BID programme map</li> <li>Proposed targeted rate grant and rating mechanism</li> <li>Strategic business plan.</li> </ul>	✓	✓	✓	✓	✓
18. Council approval	<p>If a mandate is achieved and the Proponent Group agrees to proceed, the Council S&amp;T team will put a report to the Council seeking final Council approval.</p> <p>The report will be on the agenda of the Council in open meeting.</p>	✓	✓	✓	✓	✓

#### 9.4 BID programme amalgamation

The following process outlines how two or more BID programmes can choose to amalgamate:

- a) The intention explore an amalgamation proposal must be included in the respective BID business plans.
- b) The BID operators must confirm that an amalgamation is not precluded under each of their constitutions and show evidence of support for amalgamation from members

- Proof of member support can be obtained by a survey of members
- c) If support is evident the BID operators should seek formal support from the relevant community board(s).
- d) The BID operators must each pass a resolution to amalgamate the BID programmes at a special general meeting (SGM).
- e) A ballot of eligible voters in affected BID programme areas must be held and a mandate gained - 50 per cent of ballots returned and 66 per cent of the total votes counted being in favour of the amalgamation proposal. Note that the thresholds apply to the overall ballot.
- f) If a mandate for amalgamation is not secured there is a one year stand down before a new ballot proposing amalgamation can be held.
- g) An amalgamation of BID programme operator entities must take place on 30 June with the amalgamated BID programme operational from 1 July. In the event these days are not working days legal advice will be sought on the best alternative dates.

### **9.5 BID programme boundary change**

The Council S&T team can assist a BID operator to assess whether a change to an existing BID boundary is a viable option to pursue.

This may involve the BID operator engaging with communities of common interest, neighbouring or closely located BID programmes and other BID programme operator(s) and relevant community boards.

Council officers may require evidence of support from affected parties and/or formal notification to the Council.

A ballot may not be required for a boundary adjustment involving two existing, and adjoining BID programmes, if evidence of support from both areas is provided.



**Table 6: BID programme ballot process and requirements**

Note: all requirements listed below are mandatory.

Criteria	Description of process and requirements for the BID ballot.	BID programme establishment	BID programme disestablishment	BID programme expansion/reduction	BID programme amalgamation	BID programme rating mechanism change
1. Ballot dates	<p>Proponent Group must agree a ballot period and delivery deadlines for ballot information approval and completion of the eligible voter database with the Council and the electoral officer or independent election agent.</p> <p><b>Note:</b> ballot period must be at least 4 weeks and not coinciding with Christmas, New Year, Easter, or school and public holidays.</p>	✓	✓	✓	✓	✓
2. Voting paper	<p>Proponent Group must forward draft wording for the voting paper to the Council electoral officer for approval.</p> <p><b>Evidence:</b> approval from Council electoral officer.</p>	✓	✓	✓	✓	✓
3. Ballot pack	<p>Proponent Group must produce appropriate information and documents to communicate the proposal to all eligible voters.</p> <p><b>Evidence:</b> a copy of the final ballot pack documents for approval and sign off from the Council electoral officer and must include:</p> <ul style="list-style-type: none"> <li>• purpose of the ballot proposal</li> <li>• proposed BID programme map (where relevant)</li> <li>• rating mechanism to be used</li> <li>• annual targeted rate revenue</li> <li>• objectives and goals identified in strategic and business plan</li> <li>• draft budget</li> <li>• BID programme membership form</li> <li>• contact names of the business association, Council S&amp;T team and election official</li> </ul>	✓	✓	✓	✓	✓
4. Final eligible voter database	<p>Proponent Group and the Council each provide the election official with their eligible voter database. Election official combines the databases into the final voter database. Any discrepancies relating to voter qualification will be resolved by the election official.</p> <p><b>Evidence:</b> written confirmation from the election official they have a final voting database.</p>	✓	✓	✓	✓	✓

## Glossary

<b>Abbreviation/term</b>	<b>Definition</b>
<b>Annual Plan</b>	The Council's annual work programme and budget for years when a long term plan is not produced.
<b>BID association</b>	The entity that operates the BID programme.
<b>BID programme</b>	An agreement between Christchurch City Council and a BID operator to work together on shared goals – focussed on creating opportunities for business improvement and local economic development – not a legal entity.
<b>BID programme member or affiliate</b>	The membership of the BID programme - includes all business property ratepayers and business occupiers who qualify as BID programme eligible voters and pay the BID programme targeted rate (either directly or indirectly). Affiliate members are not business property ratepayers or business occupiers who qualify as BID programme eligible voters and pay the BID programme targeted rate but have been allowed by the Association to have membership. The basis of membership is detailed in the constitution.
<b>BID programme agreement</b>	Mandatory document establishing the partnership between a BID operator and Christchurch City Council. The agreement provides the link between the BID programmes and the BID policy and promotes alignment, governance and accountability for both partners over the agreed lifespan.
<b>BID programme ballot</b>	Vote of eligible voters to decide on a proposal associated with a BID Programme. Reasons for a ballot are: establishment of a BID, change to a BID area boundary, change to the rate mechanism or significant change to rate amount, BID disestablishment
<b>BID programme manager / contractor or agent</b>	The person responsible for delivering the BID Programme as outlined in a strategic or annual plan in the most efficient and effective way.
<b>BID programme map</b>	Map showing the boundary of the BID area. BID programmes operate within a clearly defined geographic boundary. All business-rated properties within the boundary will be charged the targeted rate.
<b>BID Policy</b>	Council policy detailing the rules and responsibilities of the BID Programme.
<b>Business association</b>	Independent organisation set up to improve the business environment for its members. Business associations are governed by the Incorporated Societies Act 1908, which is currently under the early stages of a review. A business association is likely to be the entity that operates a BID programme.
<b>Chairperson</b>	Chairperson of the BID programme operator.
<b>Community Board</b>	Part of Christchurch City Council governance. The 7 community boards each have between five and nine members, elected by voters from the area they represent. Community boards represent their local community and make decisions on local issues, activities and facilities. Community boards have decision-making responsibilities associated with BID establishment and monitoring and reporting and have the primary elected member relationship with BID programmes in their area.

<b>Abbreviation/term</b>	<b>Definition</b>
<b>Conflict of interest</b>	Situation where a person involved in making a decision may personally benefit or be perceived to benefit from the decision.
<b>Constitution</b>	Sets out the authority, responsibility, policy, processes and operation of the Board of the BID programme operator.
<b>Council controlled organisation (CCO)</b>	A company or entity in which one or more councils hold 50% or more of the voting rights or have the ability to appoint 50% or more of the trustees, directors of managers.
<b>Eligible voter</b>	Business or property owner within a BID area boundary or proposed BID area boundary who has the right to vote in a BID programme ballot.
<b>Governance</b>	Formal and structured oversight of the operation of an entity. For BID Programmes this entails setting strategic direction and defining priorities and accountabilities (for example, strategic and annual plans), the ability to devolve powers (for example, to a manager) and the responsibility of verifying performance (for example, the end of year Report)
<b>Key performance indicator (KPI)</b>	Performance measure that is an indicator of achievement of strategic objectives.
<b>Long Term Plan</b>	Council's 10 year work programme and budget. Includes information on the strategic direction the Council is pursuing and the financial and infrastructure strategies deployed to help achieve this.
<b>Mandate</b>	Support of eligible voters for a proposal with that support providing a rationale to act on the proposal.

## Links

**CCC BID programme** <http://ccc.govt.nz/culture-and-community/christchurch/business-improvement-district-programme/>

**CCC Long Term Plan/ Annual Plan** <http://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/long-term-plan-and-annual-plans/>

**Health and Safety at Work Act**  
<http://www.legislation.govt.nz/act/public/2015/0070/latest/DLM5976660.html?src=qs>

**Employment Relations Act**  
<http://www.legislation.govt.nz/act/public/2000/0024/latest/DLM58317.html?src=qs>

**Societies** <http://www.societies.govt.nz/cms/incorporated-societies>

**Incorporated Societies Act**  
[http://www.legislation.govt.nz/act/public/1908/0212/latest/DLM175775.html?search=ts\\_act%40bill%40regulation%40deemedreg\\_Societies\\*\\_resel\\_25\\_a&p=1](http://www.legislation.govt.nz/act/public/1908/0212/latest/DLM175775.html?search=ts_act%40bill%40regulation%40deemedreg_Societies*_resel_25_a&p=1)

**Canterbury Development Corporation** <http://www.cdc.org.nz/>

**Christchurch and Canterbury Tourism** <http://www.christchurchnz.com/>

**Development Christchurch Limited** <https://dcl.org.nz/>

## **Appendices to the Policy Operating Standards**

- **Appendix 1** - Guidelines for community board representatives on a BID programme Board
- **Appendix 2** – Criteria for new BID programme establishment
- **Appendix 3** – Draft Annual Accountability Agreement

## **Appendix 1 - Guidelines for community board representatives on a BID programme Board**

### **1. Rationale for community board member representation**

A community board representative on a BID programme Board can provide valuable governance experience and be a link between the community board and the operation of the BID programme.

A community board representative responsibilities could include:

1. Updating the Board on community board activities, plans and projects.
2. Providing guidance to the Board on strategic direction and activities of the community board (as outlined in the community board plan and at community board meetings) and how this might relate to the BID.
3. Reporting to the community board on activities undertaken or proposed by the BID programme operator and opportunities for the community board and/ or the Council to add value through collaboration.
4. Raising any significant and/ or recurring issues faced by the BID (for example, in respect of services by provided by the Council and CCOs) with the community board and the Council.

The BID programme Board should not expect the community board representative to be acting as the Council or to be able to answer every question relating to Council services.

### **2. Appointment selection and process**

The Council does not require a BID programme Board to have community board representation but does encourage Boards to at least consider the merits of such an appointment.

If BID programme operators wish to explore the appointment of a community board representative they should work directly with the relevant community board to determine whether there is value in having representation on their Board and, if so, to seek an appropriate representative.

Only the appointed community board member may participate in Board governance and the business of the BID programme.

### **3. Role of appointee**

There are a range of options regarding the role of a community board representative, at the discretion of the BID Board. The options available or preferred approach should be detailed in the BID constitution. The Board must detail the role to the community board and the appointee, including whether a community board representative has voting rights.

Role options include:

- a) As an invited guest who attends Board meetings but with no automatic speaking rights and no voting rights
- b) As a member of the Board with full speaking rights but with no voting rights
- c) As a full member of the Board with full voting rights.

It is strongly recommended that a community board representative is not given voting rights. This avoids any conflicts of interest (real or perceived) or disputes between the community board and the Board.

## Appendix 2 – Criteria for new BID programme establishment

Criteria	Description of requirements and criteria prior to undertaking a BID programme establishment project
1. Proponent Group formed	<p>There must be an elected Proponent Group governing committee proposing the BID programme. The committee must be representative of the range of business interests within the proposed BID area and have a genuine commitment to the business community rather than to their own vested interests.</p> <p><b>Evidence:</b> <i>a list of the people in the group, contact details and professional roles or scope of interest.</i></p>
2. Legal entity formed	<p>The Proponent Group must be or become a legal entity under the Incorporated Societies Act 1908 that is fulfilling the requirements of their constitution and is appropriate to administer the BID programme establishment and operation.</p> <p>The Council will not approve an establishment ballot without the Proponent Group having legal entity status.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>Copy of the certificate of incorporation and founding documents</i></li> <li>• <i>Copy of the previous 12 months meeting minutes</i></li> <li>• <i>Copy of the previous AGM minutes and financial statements</i></li> </ul>
3. Proponent Group annual business plan	<p>The Proponent Group must have a current annual business or action plan in place that has been approved by a majority of members.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>Business plan is provided.</i></li> </ul>
4. Business and BID programme champion	<p>A leadership/ champion role is identified as part of the governance structure of the Proponent Group.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>A respected local business leader with wide contacts is appointed to champion the Proponent Group and the establishment of the BID programme.</i></li> </ul>
5. Register of members	<p>There is a register of financial members paying an annual subscription/fee to the Proponent Group.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>A copy of the current Proponent Group financial membership is provided.</i></li> </ul>
6. Business engagement	<p>The Proponent Group must engage with the local business community to assess support for promoting economic development and local improvement issues/ opportunities beneficial to business and property owners in the area.</p> <p><b>Evidence:</b></p>

Criteria	Description of requirements and criteria prior to undertaking a BID programme establishment project
	<ul style="list-style-type: none"> <li><i>A brief overview of the engagement undertaken, the businesses and people involved, and a list of the issues / opportunities identified that would bring benefit to the inclusive business area.</i></li> </ul>
6.1 BID programme fact finding survey project (optional)	<p>The Proponent Group must survey local business and property owners to identify in more detail the issues and opportunities relating to the business area. The Proponent Group may approach the Council requesting (financial and/ or resource) assistance to undertake a survey to ensure it has appropriate information to prepare a draft business plan.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li><i>A survey report is prepared detailing the survey methodology and findings</i></li> </ul>
6.2 Galvanising issues or opportunities identified	<p>The survey and analysis will identify any particular galvanising issue or opportunity affecting businesses and/ or commercial property owners in the proposed BID programme area. This will provide impetus and direction for the Proponent Group and reinforce the proposal to establish a BID programme.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li><i>A feasibility report is prepared including an overview and explanation of any key issues or opportunities identified, analysis of the survey findings and conclusions. This report will be the basis for a decision whether to continue to proceed with the proposal.</i></li> </ul>
7. Draft 2 year BID programme business plan and budget	<p>The information captured in the business engagement and the original Proponent Group business plan are brought together to prepare a draft 2 year operational business plan and budget.</p> <p>The business plan must identify the key issues and opportunities, goals or objectives and include an implementation plan for the proposed BID programme. The budget must identify the expected income from a targeted rate, any other revenue and the expected cost of implementing the business plan.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li><i>A 2 year business plan and budget is provided.</i></li> </ul>
8. Proposed BID programme boundary map	<p>The Council will work with the Proponent Group to map the boundaries of the proposed BID programme area.</p> <p>This will enable the Council undertake rate revenue modelling to determine the best rating approach and the indicative cost per ratepayer. This will determine whether the targeted rate is likely to be tenable or if alternative approaches may need to be explored.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li><i>A map with the proposed boundaries clearly marked is provided.</i></li> <li><i>The Council will prepare a report on rating options and implications</i></li> </ul>
9. BID formation timeline	<p>The Proponent Group Board develops a timeline to establish the BID programme that recognises the Council's planning and reporting requirements.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li><i>A copy of the BID programme establishment project time line including reporting deadlines is provided.</i></li> </ul>



Criteria	Description of requirements and criteria prior to undertaking a BID programme establishment project
10. Membership approval	<p>The proposed BID programme (including all information reports to date) must be presented as a special resolution to the membership of the BID programme entity at an AGM/SGM. The membership must adopt the proposal to establish a BID programme for the proposal to continue.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>AGM/SGM agenda, attached documents and meeting minutes including the resolution supporting proceeding with the proposed BID programme project.</i></li> </ul>
11. Initial discussions with Council	<p>Discussion 1: The BID Proponent Group meets with the Council S&amp;T team to confirm the BID programme establishment process and timeline. The Proponent Group must present all documentation showing it has met the above criteria (1 to 10) for agreement and sign off.</p> <p>The BID Proponent Group and Council officers will identify the expenses/costs required to undertake the BID programme establishment project and appropriate funding sources.</p> <p>Discussion 2: Council officers will arrange a meeting between the Proponent Group and the community board to present the proposal and any funding request. This meeting may take the form of a workshop presentation or a meeting with the Council or delegated committee.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>An invitation to present the proposal at a Council meeting.</i></li> </ul>
12. Council approval	<p>The Proponent Group, supported by a Council officer report, presents the BID programme establishment proposal to a community board meeting.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>A resolution in the Council meeting minutes approving the draft BID programme establishment map and support for the proposed BID programme establishment project.</i></li> </ul>
13. Detailed stakeholder engagement	<p>The Proponent Group must engage with all business and property owners on the eligible voters list to provide full information on the proposal.</p> <p>This information will include explaining the rationale for the BID programme being proposed, the benefits and costs of the BID Programme, the proposed functions of the BID Programme and how the BID programme will operate.</p> <p>This engagement must include at least 2 community meetings open to all residents and business people.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>All eligible voters receive an invitation to open meetings and all relevant information resolution in the Council meeting minutes approving the draft BID programme establishment map and support for the proposed BID programme establishment project.</i></li> </ul>
14. Establishment ballot	<p>The election services provider compiles the final electoral roll for the establishment ballot from the eligible voter list and the Council's rating database. For the BID programme to go to the Council for final approval to establish there must be at least 50 per cent of votes returned and at least 66 per cent of returned in favour of the proposal.</p>

Criteria	Description of requirements and criteria prior to undertaking a BID programme establishment project
15. Final Council approval	<p>Following an establishment ballot delivering a mandate to establish a BID Programme, the Proponent Group supported by a Council officer's report presents the complete BID programme establishment proposal to a community board meeting, seeking the board's recommendation to the Council that the BID programme proceeds.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>• <i>A community board recommendation to the Council to approve the establishment of the BID programme</i></li> <li>• <i>A resolution of Council approving the BID programme establishment and the setting of a targeted rate through the Council's Annual Plan or Long Term Plan.</i></li> </ul>

## Appendix 3 – Annual Accountability Agreement Example



*Add BID operator logo*

The signing of the Annual Accountability Agreement by the chair of the BID Programme Board is a requirement of the Council’s BID Policy. Its purpose is to confirm baseline accountability mechanisms are in place.

### Annual Accountability Agreement: Year ending 30 June 20XX

#### XXXX Business Improvement District programme

<i>Please confirm each requirement has been met by ticking AND attaching evidence of completion of each action</i>	Completed
1. Incorporated Societies Act 1908 – all requirements of the Act and your constitution have been completed <ul style="list-style-type: none"> <li>• <i>Financial statements filed</i></li> <li>• <i>Annual General Meeting undertaken</i></li> <li>• <i>Evidence of compliance with any other relevant legislative requirement or constitution rule</i></li> </ul>	
2. All information required by Christchurch City Council under its BID Policy has been provided. This must include: <ul style="list-style-type: none"> <li>a) copy of audited or reviewed accounts,</li> <li>b) report detailing progress towards completing actions in annual business plan (chair or manager annual report)</li> <li>c) Annual Pan and budget for upcoming financial year</li> <li>d) strategic plan (if not already with the Council)</li> </ul>	
3. Public liability and indemnity insurances are in place ( <i>please attach a copy of the insurance certificates</i> ).	
4. Appropriate governance and induction training has been provided to all new Board members.	
5. Confirmation from the manager that the membership database is as up to date as possible.	

I hereby confirm on behalf of \_\_\_\_\_ that operates the \_\_\_\_\_ BID Programme that the above requirements have been completed as required under the BID Policy, the Incorporated Societies Act (1908) and the constitutional rules.

Chairperson name:

Signed:

Date