

Christchurch City Council

Business Improvement District (BID) Policy

1. Background and context

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.

This policy provides 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 the 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 running 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 expected a BID programme will be operated by a business association the Council will consider alternative organisations to be the 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.

2. Purpose and value of BID programmes

A BID programme creates a partnership enabling Christchurch City Council, the relevant community board and a BID programme operator 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 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 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.

3. 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.

3.1 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 developed through 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.

3.2 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.

3.3 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

3.4 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.

3.5 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 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.

3.6 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

3.7 Christchurch Visitor Strategy

The Council is currently working with key stakeholders to prepare a new visitor strategy for Christchurch. While this will be 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 visitor spend for Christchurch businesses.

4. Definitions

BID - Business Improvement District.

BID programme - is a formal and structured agreement between a business association and the Council to provide economic development initiatives within a particular area.

BID manager - is a person contracted or employed by the business association to manage the BID programme.

BID proponent group - means those persons proposing a BID programme for an area and that work together in the early stages to steer the proposal through to a decision on whether to proceed.

BID operator – means a formally constituted organisation that is operating a BID programme.

Business association – means a formally constituted organisation of business interests within a community. Is likely to be the organisation operating a BID programme.

Council - Christchurch City Council.

Executive committee - means the body elected by the members of the BID operator to govern the operations of the BID programme.

Governing board - has the same definition as executive committee above.

5. Purpose

This policy provides guidance for prospective and established BID programmes, and explains the requirements and responsibilities of the Christchurch City Council BID programme.

This policy is "enabling" rather than "requiring". Any initiation of a BID programme will come from a business community rather than the Council.

This policy is intended to provide clear guidance but also to be flexible enough to enable innovative solutions to local requirements to be explored and implemented.

The policy addresses:

- Roles and responsibilities of relevant parties.
- Objectives that a BID programme must meet.
- Processes required to establish a BID programme.
- General operation requirements of a BID programme.
- Monitoring and reporting of performance of a BID programme.

This Policy will be reviewed at least every five years to ensure it continues to meet the needs of the business community and the Council.

6. Roles and responsibilities

6.1 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 has agreed to set a targeted rate for a BID programme, set the rate on annual basis providing the BID operator has complied with the terms of this policy, and provide the funding generated to the BID operator
- 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.

6.2 Community Board

Christchurch City Council community boards are likely to have a close and productive relationship with an organisation operating a BID programme in their 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.

6.3 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.

7. BID programme scope

The BID programme allows for a range of activities to be undertaken with the provisos that:

- The activities are relevant and beneficial for BID programme members, and
- The activities are not already provided as part of the Council's normal service provision and funded from the general rate.

BID operators must prepare a Strategic Plan (three to five year) and Annual Business Plan that detail the priorities, work programme and projected budget. A BID operator can choose to focus their initiatives in any direction that best supports the aims and objectives of the BID programme members.

Activities that a BID programme operator may choose to undertake within their local area could include, but are not limited to:

- Advocating to local and central government and agencies.
- Promoting their area to prospective new businesses.
- Collective marketing and promotion.
- Enhancing the street environment (for example, providing additional cleaning services, beautification projects, promoting safety and security).
- Business development, mentoring, networking and training.
- Sustainability and resilience planning.
- Enhancing the urban form (for example, heritage projects or improving the accessibility of businesses).
- Collective purchasing agreements.
- Running or hosting events.
- Providing services to members or wider - cutting costs for members and/ or generating revenue.

The Council will provide details of the capital projects and levels of service it has committed to deliver through its existing work programme and funded from rates.

There may be opportunities for the business association and the Council to negotiate changes to the existing service delivery approach. This could include:

- the Council providing a lower level of service with a reduction in rate requirement
- the Council ceasing to provide a service with a reduction in rate requirement
- the business association delivering a service instead of the Council with either a reduction in rate requirement or the Council contracting the business association to provide the service

There may be opportunities for the Council to advise the business association or other organisation of enhancements to planned capital projects or increased levels of service that are prioritised by the community but not budgeted in the Council's existing work programme that the business association or other organisation may wish to consider as a BID project.

While the Council will always negotiate in good faith, any change to the levels of service or service delivery approach will be at the Council's discretion as it must always consider the interests of the wider community and maintain its ability to deliver cost-effective services.

7.1 Consultation with affected parties

Where a project proposed by a BID programme operator impacts the public realm, the BID operator will conduct consultation with the affected community on the proposed project. Following consultation, the relevant Community Board will consider whether to approve the proposed project.

8. BID programme success factors

The Christchurch City Council and its council controlled organisations (CCOs) will help support BID programmes to successfully meet their goals and objectives. The Council sets the policy framework for the programme but it is the responsibility of the BID operator to ensure their BID programme is a success.

BID programme success is dependent on three key factors.

8.1 Effective governance

Providing vision, strategy and decision making is critical and the responsibility of the BID programme executive committee. The committee is responsible for setting the strategic direction of the BID programme, accountability and for ensuring that the management of the BID programme is effective and setting key performance indicators which are realistic and measurable.

8.2 Good management

This is usually carried out by a BID manager, business management consultancy or other agency. The BID manager is responsible for developing strategic relationships, advocacy, and ensuring delivery of the goals identified in the BID strategic and annual plans. They are also responsible for the accountability and reporting requirements for the BID programme activities.

8.3 Sufficient resources

The BID programme must have adequate resources to enable its vision and strategies to be implemented, achieve the BID programme goals and make a real difference to the local business environment.

9. Formal agreements

9.1 Memorandum of Understanding - Council and BID proponent group relationship

A Memorandum of Understanding (MOU) between the Council and the BID proponent group defines the relationship between the parties as they work towards the establishment of a BID programme. The MOU is a precursor to an eventual partnering agreement and when the BID is established may remain in parallel with the Partnering Agreement. The MOU may have an agreed timeframe and can be varied by agreement between the parties.

9.2 Partnering Agreement

A Partnering Agreement between the Council and the BID operator is required. It formalises the agreement to work together within the Christchurch City Council BID policy framework and details the fixed aspects of the relationship.

The Partnering Agreement has a defined lifespan and is signed by both the Council and BID operator.

10. Funding

10.1 Targeted rate

The Local Government (Rating) Act 2002 gives the Council the authority to set a targeted rate for a defined area and activities (Sections 16, 17 and Schedule 2). Schedule 3 of the Act allows for targeted rates to be set and assessed on a number of different bases.

The targeted rate funding mechanism enables the Council to set a rate on non-residential properties within a BID Programme area. The Council will then pass the funds collected to the organisation managing the BID programme to fund its activities.

Certain property types are exempt from paying a targeted rate to fund a BID Programme. These include:

- a) Residential properties.
- b) Some properties owned by central government (either wholly or proportionally). This includes educational facilities and district health board land.
- c) Council owned properties, other than those properties or parts of properties operating as a commercial business.
- d) Other properties as provided for under the Council's Rate Remission Policy to have a partial or full remission of the targeted rate.
- e) Utilities - other than any commercial business component of a utility property.

10.2 Purposes for which the targeted rate funding can be used

Targeted rates collected by the Council are passed on to the BID operator to fund its operation. This funding can be applied to provide activities identified in the BID strategic and/ or annual plan, and that are outside those provided by the Council or that are over and above levels of service already provided by the Council and funded from rates.

10.3 Setting a targeted rate

There are three options for how a targeted rate can be set and assessed.

Capital value rate - the total amount of targeted rate funding to be collected is divided by the capital value of the properties within the collection area and apportioned based on the relative capital value of each property. Properties with a higher capital value pay a proportionately higher targeted rate.

This method is appropriate if owners or tenants of more valuable properties will benefit more than those with less valuable properties or where a "progressive" tax approach is considered appropriate based on significant community benefit.

Fixed rate - a uniform fixed rate is charged to every property required to pay the rate within the area - every property pays the same amount.

This method is appropriate when the benefit received by each rateable property within the collection area is the same.

Combination of a capital value rate and a fixed rate - a combination of a fixed rate charge for every property within the collection area, plus a proportional rate based on capital value.

This method is appropriate where there are a large number of small businesses balanced by a smaller number of large businesses operating within the collection area. This approach flattens out the differences in rate requirement between higher and lower value properties while still reflecting the relativity in benefit received based on the value of property.

The Council will work with a BID proponent group to identify the most appropriate targeted rate approach for the particular BID programme. While a consensus approach will be sought, the final decision-making on all matters relating to the targeted rate must rest with the Council as the rating authority.

10.4 Minimum targeted rate revenue

This policy is intended to apply district-wide and therefore needs to be flexible enough to accommodate the aspirations of all business districts to enter into a BID Programme.

To encourage the participation of business districts, regardless of size, this policy does not include a minimum rate revenue requirement. The Council will consider all proposals to establish a BID on the basis of the benefits to be delivered to business and property owners who will pay the targeted rate being sufficient for them to agree to a BID programme being established and a ballot being held that delivers the required mandate.

10.5 Limit to BID targeted rate increase

Once a BID is established, the maximum increase or decrease in the total targeted rate requirement compared to the previous year is generally 10 per cent of the existing targeted rate amount.

The Council may agree to a change outside these parameters and in so doing may also require a ballot as part of the decision-making process.

10.6 Additional revenue

BID programme operators are encouraged to generate additional income to supplement targeted rate funding. Examples of additional revenue streams include grants, sponsorships, business ventures and providing services to paying customers.

11. Balloting of affected parties

Before agreeing to impose a BID programme targeted rate the Council requires evidence of an appropriate level of support for the BID programme and the targeted rate from those affected. This is sought through a formal ballot for key BID programme decisions, outside the Local Electoral Act 2001.

11.1 Types of polls

A ballot must be held in the following circumstances.

1. Establishing a BID

Affected property owners and businesses are balloted when a BID programme is proposed to be established to ensure there is appropriate support for the proposal and in particular for the levying of a targeted rate. This is known as the Establishment Ballot.

2. Change to the BID boundary

When a BID area is proposed to be expanded, the BID operator can apply to the Council for a list of property owners in the additional area, and arrange for a ballot to be conducted in the expansion area only.

In the event of a BID area being reduced, a ballot is conducted over the whole BID area because this change will result in a reduction in targeted rate revenue and/ or an increase in targeted rate per remaining property.

When BID areas are proposing to amalgamate a poll is conducted over the whole proposed BID area.

3. Dissolving a BID

This may be called by the BID programme operator or its members according to the constitutional rules of the organisation or any process included in the MOU or Partnership Agreement with the Council. The Council does not need a disestablishment poll to stop setting a targeted rate.

4. Change to the rating mechanism

In the event of a proposal to change the rating mechanism, a ballot is conducted over the whole BID area because this change will result in changes to the targeted rate per property.

11.2 Eligible voters

Voting qualification is based on the principle of 'one entity - one vote', an entity being a business ratepayer and/or a business/occupier. Property or business owners with multiple properties and/ or business receive one vote only.

A list of eligible voters must be compiled which includes both business ratepayers and business occupiers. This information is sourced as follows:

- Christchurch City Council will provide a database of business ratepayers in the proposed BID programme area
- The BID proponent group or BID programme operator is required to identify all businesses. This includes all businesses or sole traders operating as a business within the BID programme boundary and located on:
 - Commercial/business zoned property or business rated property address.
 - Residential properties but operating a business (as the predominant use) from that property address.
 - Industrial/manufacturing rated property.
 - Any other business activities operating on any property.

The BID proponent group or operator is required to create an up-to-date and accurate business database as possible.

11.3 Parties ineligible to vote

The following will not be on the list of eligible voters and will not be able to vote in a BID ballot:

- Private (non-business) residents.
- The Government, if the property is non-rateable.
- The Council.
- The owners of any property that, under the Council's Rate Remission Policy, will not pay the targeted rate.
- Business owners who operate their business from a residential rated property.
- Business owners who give a business address which is a non-residential property within the proposed BID area, but who do not physically run their businesses from that address (for example, businesses who use their accountant's address, or businesses who have mail delivered to a relative or friend running a business within the area).
- Business owners who lease, rent or hire a very small area of commercial property (i.e. less than 10 square metres) within the BID area, who do not permanently run their businesses from that address, and who appear to have taken on the liability primarily in order to gain BID membership and voting rights.

Owners of properties that, under the Council's Rate Remission Policy, will pay a portion of the targeted rate will be included on the list of eligible voters.

11.4 Ballot process

Ballots will be coordinated either by the Council's electoral officer or an appointed election services provider.

Voting will be by postal and/ or online ballot. The method of voting is at the Council's discretion.

The electoral officer or independent election service provider, will provide the following material to all eligible voters:

- information outlining the BID proposal
- information on the proposed BID area if the poll is to establish a new BID or an increase or decrease of an existing BID area - must include a map of the proposed BID area
- ballot form approved by the Council

- contact update form including the name of the current nominated representative of the business

The period between the sending of ballot papers, and close-off for return of ballots shall be at least three weeks.

The electoral officer or independent election service will place at least two advertisements about the poll in local newspapers, at least seven days apart, with the last advertisement a minimum of three days before the poll closes.

11.5 Informing voters

The BID proponent group BID operator must inform eligible voters of the key issues to be decided. Information provided must include, but is not be limited to:

- a map showing the proposed BID area
- the cost of the targeted rate to be set and assessed per year and an indication of the cost for example properties
- the objectives of the BID as detailed in their strategic and business plans
- the benefits expected to be provided by the BID programme
- the names of the BID proponents
- any reasons for a proposed change to an existing BID area

The BID proponent group or BID operator must advise of and hold at least one information meeting, open to all interested parties, no less than 10 days before the ballot closes.

Additional methods should be used to inform eligible voters of the vote, such as face-to-face meetings, email or newsletters.

A BID proponent group or BID operator must consult with the Council on the timing of a BID ballot. Ballots must be completed in sufficient time so they can be ratified by the Council and any changes included in the Council's Long Term Plan or Annual Plan budgeting process.

11.6 Proxy and absentee voting

Proxy voting is not permitted. Eligible voters who will be absent from their registered addresses during the period of the ballot, but who wish to vote, should provide a forwarding address to the BID proponent group or BID operator to enable voting papers to be sent.

11.7 Non-registered eligible voters

The BID proponent group or operators should use their best endeavours to ensure all eligible voters in the BID area are on the eligible voters list. In the event that an individual believes they are entitled to vote, but are not on the eligible voters list, the Council's electoral officer shall determine the status of the individual and whether a ballot should be issued to that individual.

11.8 Mandate

To succeed, a BID ballot requires a minimum of 50 per cent of votes returned and a minimum of 66 per cent of votes cast being in favour of the proposition.

The higher the level of the voting return achieved by the ballot, the greater the level of assurance for the Council in any decision to support, or not support, the introduction of a BID programme and targeted rate.

As the rating authority, the Council will be guided in its decision-making by the ballot result but is not bound by the ballot result.

11.9 Confirming the result

The electoral officer or independent election service will receive, count and verify all returned ballot papers. It will then report the result of the ballot to the BID proponent group or operator and Council officers.

11.10 Failure to secure a mandate

In the case of an establishment poll there is a minimum two year stand down period, commencing from the ballot date, before a new establishment poll can be held. The BID proponent group or operator may continue to build support but cannot hold a ballot.

In the case of a poll to alter an existing BID boundary or to dissolve a BID there is a minimum stand down period of one year before a new poll can be held.

In a situation where unusual or unexpected circumstances may be considered to have influenced the ballot result, Council officers, community board members and BID proponent group or operator should work together to formulate the most appropriate way forward.

12. Accountability

12.1 Reporting requirements

Planning, budgeting and performance reporting enables the transparent operation of a BID programme, provides assurance that the rates funding is being used appropriately and the programme is progressing toward desired outcomes. The requirements below are explained in more detail in the BID Policy Operating Standards manual.

The timing of fulfilling accountability requirements must enable the Council to meet its own accountability requirements through its Annual Report and reporting to the Council. Details of compliance requirements including timelines will be detailed in the partnership agreement with each BID operator.

12.2 BID operator

The BID operator must prepare and provide to the Council the following plans and reports:

- Strategic Plan covering a three to five year period
- Annual Plan including a detailed work programme and budget detailing forecast income and expenditure
- Audited or formally reviewed annual financial accounts (within 4 months of the end of the financial year). The required compliance will be tailored to be appropriate to the level of funding and turnover of the BID programme and level of risk the Council believes exists

- Annual Report detailing the previous year's activities and financial performance and performance against performance goals and/ or measures included in the Strategic Plan and Annual Plan (within 4 months of the end of the financial year)

The BID operator will also have reporting requirements under the Incorporated Societies Act (1908) and associated Regulations. These and reporting obligations to members and all property and business owners in the BID area should be set out in constitutional documents.

12.3 Failure to comply with accountability requirements

If a BID operator does not comply with its accountability requirements the Council will not budget for a targeted rate for the following year unless revised compliance requirements are approved by Council resolution.

The Council may also withhold rate funding or not budget for a targeted rate for the following year if it has serious concerns about the way the BID programme is being run or how the BID operator organisation is performing. Details on processes to resolve issues and concerns the Council may have are detailed in the BID Policy Operating Standards manual that accompanies this policy.

12.4 Christchurch City Council

The Strategy and Transformation group will report to relevant community board(s) and the Council annually on each BID Programme. The report is based on key performance indicators agreed by the Council and the BID operator and detailed in the BID operator's strategic plan and/ or annual plan.

13. Dispute resolution and Council intervention

It is expected that all parties will act with integrity, good faith and with professionalism. Most common causes of problems, issues or serious concerns arise due to a lack of transparency, inadequate communication, governance and management practices and conflict of interest situations. The impact of these situations on the BID programme is of most concern to Christchurch City Council.

The Business Improvement District Policy Operating Standards manual provides examples of problem, issues or serious concerns and the interventions likely to be used to resolve these.

13.1 Dispute between the Council and the BID operator

Any decision about whether or not to set a targeted rate, the amount of that rate, to provide for an additional rate or alter the boundaries of the area subject to the rate, and whether or not to establish, disestablish, reduce or extend the BID, are within the discretion of the Council to make as part of its annual funding and rating decision-making process.

Any other dispute between a BID operator and the Council will be settled using the following procedure:

1. Having exhausted normal means of resolving a dispute or difference (by engaging in a process of good faith negotiation and information exchange), either party may give written notice specifying the nature of the dispute and its intention to refer such dispute or difference to mediation.

2. If a request to mediate is made then the party making the request will invite the chairperson of the New Zealand Chapter of Lawyers Engaged in Alternative Dispute Resolution (LEADR) to appoint a mediator to enable the parties to settle the dispute.
3. 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 in the mediation and will equally share the mediator's costs.
4. If the dispute is not resolved within 30 days after appointment of a mediator by LEADR, any party may then invoke the following provisions:
 - The dispute will be referred 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.

13.2 Exceptional circumstances - serious risk to the BID programme – interim direct management by Christchurch City Council

This section of the policy will be used only in the following exceptional circumstances:

- a) If all mechanisms to resolve have been exhausted; and/or
- b) If new information comes to light during the process to resolve that poses a serious risk to the viability of the BID programme.

The Council may withhold the BID programme targeted rate payment as an immediate measure. If BID programme funds are withheld, the funds (or part thereof) will be held in a separate account by the Council and used to fund existing BID programme commitments. In the event there is a shortfall to pay for existing commitments, Christchurch City Council can recoup costs from BID Programme members, through future targeted rates.

If interim management does not lead to the rebuilding of an independent and sustainable organisational structure, the Council will disestablish the BID programme.

The Council has no power to intervene in the operation of an organisation operating a BID programme (as distinct from a BID programme itself) and will not impose sanctions outside the scope of a BID programme.

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