



Business Improvement District (BID) Policy 2016

Part 2 - Policy Operating Standards

June 2016

A framework to partner with business associations in Auckland's town centres and business areas

- BID Policy (2016) - Adopted by the Regional Strategy and Policy Committee 2 June 2016 – Resolution number REG/2016/31
- These operating standards set out how the policy will be implemented at an operational level. They will continue to be refined over time to reflect best practice.

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1.0 BID programme – context, aims and key documents

These Policy Operating Standards form part 2 of the BID Policy (2016) and outline operational aspects of BID programmes. Procedures outlined in this document are an integral part of the BID Policy (2016) and need to be read in conjunction with the BID Policy (2016) part 1 – Policy Principles. Relevant references to part 1 are included at the start of each section **(in brackets)**.

An Auckland Council website dedicated to the BID programme, will include additional best-practice tools. This knowledge base will be developed and updated over time.

1.1 BID programme activities (Section 1.0)

Business associations represent business members at a local level and, therefore, need an in-depth understanding of the particular needs of their business community. They can undertake any activities that their constitutions allow. Under the Auckland BID Programme however, business associations' constitutions are focused on providing opportunities for business improvement for their members and their members' business community.

BID programmes initiatives can include:

- **Placemaking:** In partnership with local boards, Auckland Council (organisation) and CCOs
- **Business-to-business events and networking:** business owners forums; workshops; business training and business development events, and providing tools for members to leverage events
- **Business attraction programmes:** targeted at key tenants or sectors the proposition would attract or would add value to the area's existing tenant mix, vitality and viability
- **Marketing and promotion:** including:
 - online presence and directories
 - targeted promotions
 - events aimed at generating new or increased business for members
 - brand development – place-based and business association-related and business, investment and tenant attraction programmes.

- **Strategic vision (and planning)** – for the services to members and responding to the city’s growth and economic development opportunities
- **Stakeholder and partnership development:** with the local board and other business groups
- **Advocacy:** co-ordinating submissions to central and local government plans, policies and initiatives
- **Safety:** crime prevention initiatives and fighting negative images and perception of crime (linked to promotion)
- **Governance:** ensuring continued excellence in governance and management of the business association and the BID programme.

1.2 BID programmes and business associations – key differences

Business associations can undertake any activities that their constitutions allow and can operate using members’ voluntary contributions without a targeted rate-funded BID programme. Under the Auckland BID Programme however, business associations’ constitutions and activities undertaken are focused on increasing business improvement for their members and for the local business community.

A BID programme is not a legal entity – it’s an agreement by two parties to work together to deliver on shared goals. Local boards can have relationships with business associations which do not operate BID programmes.

1.3 BID programmes – success factors (Section 1.0)

Auckland Council sets the policy framework for the programme but it’s ultimately the responsibility of the business association to ensure their BID programme’s success.

Key success factors for a BID programme:

- a) **Effective governance** – this is critical and the responsibility of the business association board (or executive committee – referred to as the board for the purposes of this policy). The board is responsible for:
 - Setting the strategic direction of the BID programme (working closely with the local board)
 - Accountability reporting
 - Setting key performance indicators (KPIs), which are realistic and measurable

- Ensuring that the management of the BID programme is effective.
- b) **Good management** – this is usually carried out by a BID programme manager, business management consultancy or other agency. BID programme management is responsible for ensuring the delivery of the business association’s strategic and business plans.
- c) **Sufficient resources** - to achieve the BID programme’s goals and objectives, enhance the local business environment.
- d) **Partnership** – working closely with local boards and the council organisation to achieve collective success.

1.4 Value of BID programmes (Principle 7)

The value of BID programmes varies between the partners involved:

- Business associations operating a BID programme:
 - 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 participating associations to deliver on their strategic and business plans, and to take a long-term view of economic opportunities in the area
 - Encourages local business investment, identity and economic development.
- Local boards:
 - Working collaboratively to achieve greater local outcomes
 - A mechanism to enable local boards to engage with the business sector in local town centres and business areas in a co-ordinated way.

- The governing body:
 - The overall (regional) programme works towards the vision of creating the world's most liveable city by facilitating economic development and business sector pride and prosperity.

1.5 BID programme – alignment (Section 1.0)

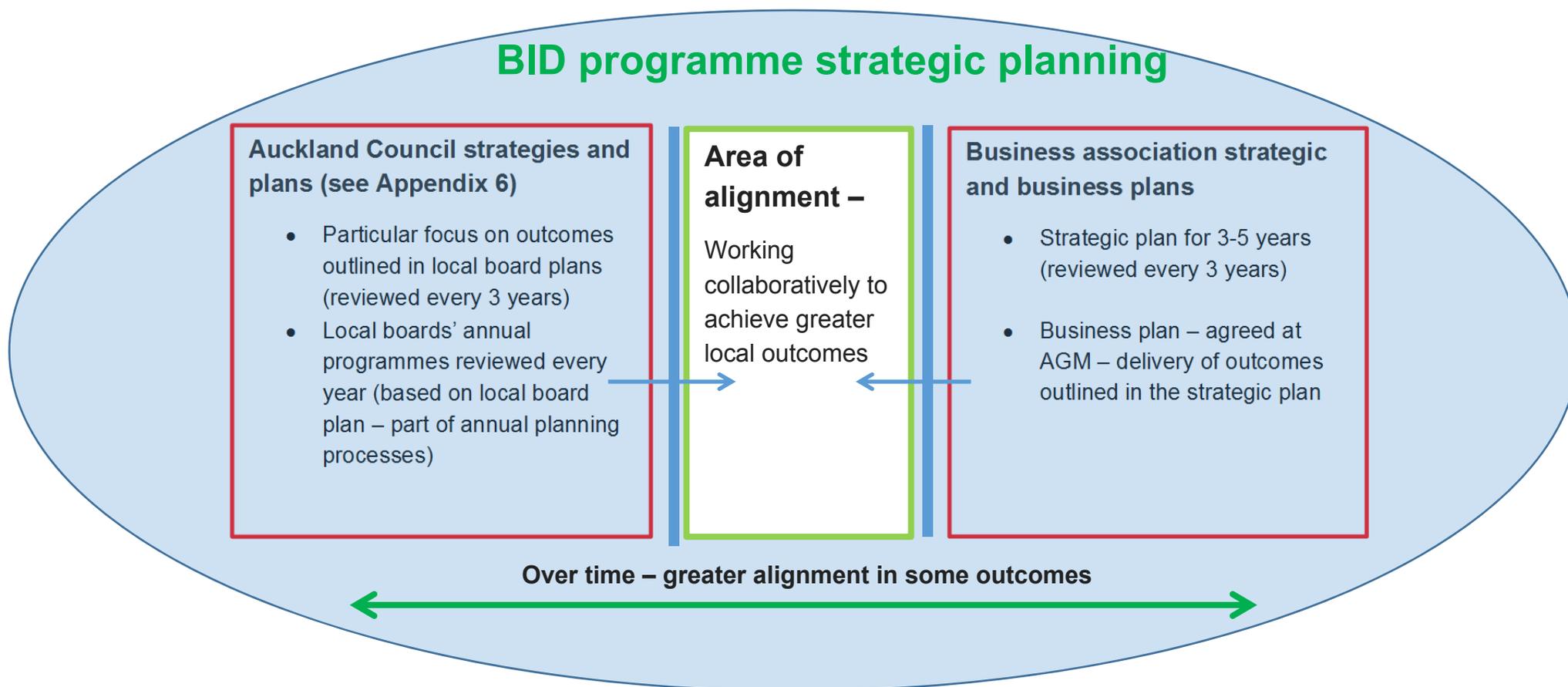
It is important that BID programmes can adapt to the challenges and opportunities of a city that's growing fast. As a starting point, it is important to focus on creating a collaborative and positive relationship between a local board and a business association operating a BID programme. There needs to be equal effort from both parties to make this relationship work.

Once a strong relationship has been formed, business associations should seek to develop alignment between BID programme strategic and business plans and local board plans in particular, as well as taking into account other Auckland Council policies, plans and initiatives outlined in Appendix 6. Business associations will find local board's desired outcomes set out in the three-year local board plan and local economic development action plans (where adopted).

Local boards are encouraged to seek early engagement with business associations operating BID programmes while developing their local board plans, priorities and programmes (as part of annual planning processes).

Business associations are also encouraged to engage directly with local boards at a governance level to help develop an understanding of each other's goals.

Diagram 1: BID programme alignment over time (Section 1.0)



2.0 Partners and roles

This section of the Policy Operating Standards contains operational detail to help support key roles outlined in Part 1 - Policy Principles.

2.1 Local boards (Principle 9 and Table 1)

While local boards have been allocated decision-making responsibilities regarding BID programmes in their area, the priority should be to focus on creating a collaborative and positive relationship between a local board and a business association operating a BID programme.

2.2 Local board representative on a business association board (Table 1)

The local board representative to a business association operating a BID programme ensures there is a direct link between Auckland Council and the operation of the BID programme.

Local boards are encouraged to work directly with business associations in selection of the local board committee representatives.

This member is **not** there to deal with, or answer, every question relating to Auckland Council services i.e. is not the go-to person for maintenance/street cleaning etc.

2.3 Business associations – board responsibilities (Table 1)

A business association operating within the BID Policy (2016) is an independent legal entity. It is registered under the Incorporated Societies Act (1908) and has reporting and accountability requirements which relate to that Act (and any subsequent review of the Act).

The requirements for business associations operating BID programmes are:

- a) Membership of the BID programme – governed by this policy - (BID affiliates) – all business ratepayers and businesses/occupiers who qualify as BID eligible voters and pay the BID programme targeted rate (either directly or indirectly) are considered to be affiliates of the BID programme. They are, therefore, entitled to receive all relevant information and communication relating to the development, management and implementation of the BID programme.
- b) Membership of the business association – governed by business associations’ constitution (as an incorporated society) and separate to a) above. To become a member, the applicant must complete an application form, and supply any information the association’s board requires. This membership entitles the member to participate as defined by the association’s constitution, in all aspects of the organisation management and running of the business association. The membership qualification (providing AGM/SGM voting entitlement) of a business association operating a BID programme if the person:
 - Owns one of more commercially rated properties within the BID programme targeted rate area; or
 - Trades within of one or more properties within the BID targeted rate area.

For both the above the occupier or tenant may be asked to provide evidence confirming the business is trading and operating from a commercially rated property within the BID programme targeted rate area. Evidence showing the business trading address could include one or more of the following: Companies Office register, NZ Business Number, lease agreement or some other proof such as the Yellow Pages, a Facebook page or website that confirms that the business is trading from that address, an invoice or bill from a utility provider or bank statement. Note: the onus rests with the business occupier to provide sufficient proof and the final decision regarding membership rests with the business association.

- c) All BID affiliates must have access, in the interest of transparency and accountability, to **all** relevant information relating to the decision-making and operation of the BID programme
- d) Equity of representation - the business association must ensure its board is representative of its membership base. This ensures appropriate levels of representation for differing sectors that make up its membership base. This also relates to circumstances where a BID programme board has a number of representative members, who are given delegated authority

to act on behalf of BID programme members. If a number of representative members trade or work outside the BID programme boundary, this may cause a perception that the board is overly-represented by members from outside the area. In these circumstances the business association will need to ensure that the rationale for this is clear, documented (including proof of delegated authority) and any references to representative members (for example in board meeting minutes and on the business association's website) clearly refers to the BID programme member they represent. Rules governing board representation should be outlined in the business association's constitution (see j) below).

- e) Clarity of roles – there should be a clear differentiation between the governance and the management of the business association. Typically, the board is responsible for governance, strategic direction and goal-setting. Managers, or other agents utilised by the association, are responsible for regular reporting to the board concerning these goals and their achievement.

In some smaller business associations, the board may be involved in practical activities that contribute to the achievement of the organisation's goals.

- f) The development of a board charter (incorporating the management of conflict of interest situations and identification of risks) is mandatory for each business association operating a BID programme. This should include the process for the board to manage and deal with conflicts of interest at each board meeting, including the development of a conflicts of interest register and identification of risks through the development of a risk register (produced quarterly as a minimum requirement). See table 3 for further definition and resolution of conflicts of interest.
- g) Alignment between the BID programme and local board plans – each business association operating a BID programme is encouraged to work with their local board(s) to develop objectives, projects and or services that align with each other's strategic and business plans.
- h) Section 3.1 of the Policy Operating Standards describes key performance indicators suitable for a business association. KPIs must form part of business associations' annual and strategic planning documents. The achievement of these, and the reporting against them are key deliverables of a BID programme.

- i) It is a requirement of this policy that individual business associations fulfil all requirements of the Incorporated Societies Act (1908) and any subsequent review.
- j) Constitution – the constitution is the overarching document that sets out the roles and responsibilities of a business association. It is a separate document from this policy. A copy of the current constitution for each business association is available from the website www.societies.govt.nz :
- The constitution defines the business association’s rules relating to associate members, honorariums, number of board members, quorums and membership qualification
 - **Business associations operating a BID programme must ensure their current constitution document is not inconsistent with this policy**
 - None of the rules of the business association affecting the BID programme or grant funding shall be altered without prior written approval of Auckland Council
 - Auckland Council provides a template constitution.
- k) Comply with other legal requirements, including those relating to an employer (if relevant).
- l) This policy and BID programme agreement – business associations operating BID programme must meet all requirements of this policy and BID programme agreement (**Appendix 1**).
- m) Use of the BID programme targeted rate grant by the business association – Auckland Council requires the following conditions to be met by the business association, in regards to the annual BID programme targeted rate collected on its behalf. The targeted rate 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 developed by the business association. Care should be taken with internal reporting processes relating to the receipt and expenditure of the BID programme targeted rate grant. These processes must be transparent to the board and members. These processes **will** be reviewed as part of the annual audit requirements.

- n) Regular reporting – Table 1 refers to regular reporting requirements required by business associations as part of the BID programme.
- o) AGM – must be held within the period of 4 months after the expiration of each financial year. Note: the business association's financial year must be aligned with Auckland Council's financial year (1 July to 30 June).
- p) Business association boards must advise Auckland Council where there are breaches of the business association's constitution, including (not an exhaustive list) continued failure:
- To meet constitution board meeting protocols, such as reaching quorum;
 - Around record-keeping, in particular from board meetings and decisions made;
 - To produce monthly financial statements and monthly management reports for the board.

See also Section 4 Problems, Issues and Serious Concerns.

- q) Business associations are required to maintain public liability and professional indemnity insurance (as a minimum) with insured amount relative to their scale of operation.
- r) Other considerations:
1. Charging business association membership fees – council discourages the charging of membership, or any other fee, to members of the business association who already pay a BID programme targeted rate. Care should be taken when considering these fees to ensure they do not hinder membership engagement and inclusion in the processes and goals of the association and BID programme.
 2. Parties with an interest in a BID programme may be located outside of the BID programme boundary. They can play a significant role in assisting the association to meet its goals and aspirations, and can play a big part in the community.
 3. Associate membership - the business association may consider associate members (business entities outside the BID programme targeted rate area) to join, by way of paying a subscription to the business association. Associate members are not entitled to stand for election to the association board, but may be appointed if there is a vacancy. An associate

member is not entitled to vote on any matters relating to the BID programme and BID programme targeted rate income and expenditure. Associate membership must not hold the majority over full membership of the association.

2.4 Business associations – manager, contractor or agency responsibilities (Table 1)

The practical day-to-day management of the business association operating 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 per the business plan and strategic plan. These roles can be full-time or part-time and are often dependent on the amount of funding the business association has available. It is good business practice to have a clear description of their responsibilities, obligations and the business associations' expectations of the work to be undertaken.

The role of managing a BID programme has evolved to be multi-dimensional. It requires a diverse range of skills and abilities. It is not anticipated that one person will have all the skill sets to do everything required to run a BID programme. There are, however, core skills that the management function must possess be able to undertake activities including:

- Advocacy
- Strategic planning
- Project management
- Relationship development
- Management reporting
- Understanding legal and policy requirements of operating a BID programme and incorporated society.

BID programmes should consider outsourcing or contracting in other specialist skills for activities which include:

- Event management
- Administration
- Marketing and promotion.

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

- a) Implementing the business association's strategic and business plans

- b) Managing and delivering projects
- c) Supporting the business association's governing board to meet all requirements set out in this policy and the association's constitution
- d) Preparing a high quality report for each board meeting on progress against objectives
- e) Assisting the association's treasurer to provide financial reports to each board meeting for its approval and to be documented in the minutes that detail the following:
 - Budget to actual cash flow position at the time of each board meeting
 - Projected expenditure and income budget for the next three months
 - Health and safety register.
- f) Overseeing the maintenance of the database of all BID programme affiliates **and** full members of the business association, as set out in business association's constitution.
- g) Managing and supervising all other staff, including volunteers.
- h) Adhering to the association's code of conduct.
- i) Supporting the business association's board in its responsibility to ensure that all BID affiliates have access to **all** relevant information relating to the decision-making and operation of the BID programme. This includes ensuring that:
 - BID affiliates are aware that they should contact BID programme management regarding all queries, concerns or information relating to the business of the association including the governance or management of the business association;
 - The manager provides newcomers (property or business owners) into the BID programme area with either an induction, or information that outlines the role of the business association and the BID programme and its operation. This process

may also include an invitation to the next business event or board meeting, and an invite to become a member of the association;

- BID affiliates are aware that all queries, concerns or requests for information about the regional Auckland BID Programme, should be directed to bids@aucklandcouncil.govt.nz

2.5 Auckland Council – BID programme team (Table 1)

A new service delivery model operational on 1 July 2016 creates a centre of excellence for the service areas above and it defines the baseline level of service provided to business associations operating a BID programme within the Auckland BID Programme. The service delivery model acknowledges that not all business associations require the same level of service and that the majority of business associations operate effectively as independent organisations.

The team will:

- Assist and support the establishment of new BID programmes
- Process the collection and payment of the BID grants
- Provide support, direction, monitoring and oversight on governance and accountability of the BID programme (including liaison with programme partners when needed)
- Provide customer service interface, including a website dedicated to serving the Auckland BID Programme partners
- Report on BID programmes – to local boards on individual BID programmes and governing body on the overall Auckland BID Programme
- Develop partnerships with internal and external providers that support and provide opportunity to the BID programme.

Note: requests for general services (i.e. not related to the governance or accountability of BID programmes) provided by Auckland Council should be accessed in the first instance from the Auckland Council contact centre (phone and online).

3.0 Accountability

This section of the Policy Operating Standards outlines operational requirements relating to the key accountability principles of a BID programme.

3.1 Key performance Indicators (Principle 13)

Business associations must choose a minimum of three performance measures to report against on a regular basis. Measures are at their discretion but should be relevant to their stated objectives and/or goals.

These may be a combination of:

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

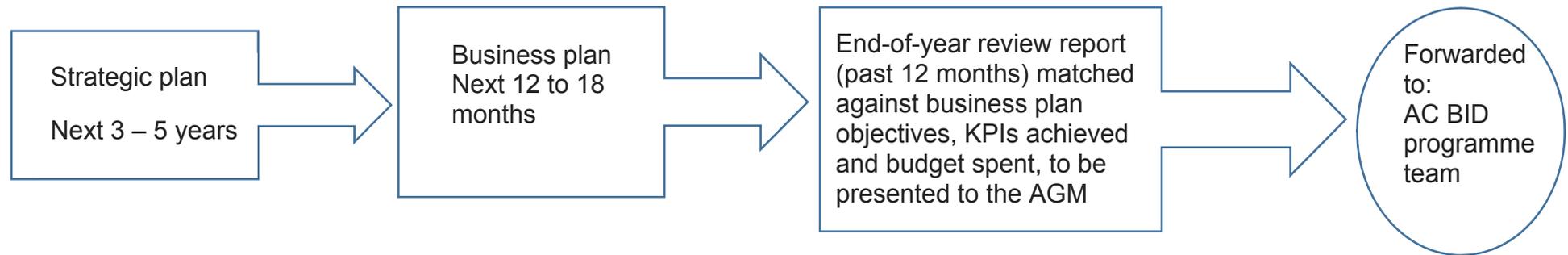
Business associations should consider both ‘forward-looking’ and ‘backward-facing’ performance indicators:

- Forward-looking indicators provide a glimpse into the future. A business association may collect information on the number of cruise ships scheduled to visit its local port over the next 12 months. This information provides an indication of possible visitor numbers in certain time periods. The business association may choose these times to hold events or allocate its advertising spending;
- Backward-facing indicators collect information on recent events. While these may be useful to develop trends over time, they cannot automatically be used to predict the future. Examples include ‘visitor numbers over the past financial year’.

3.2 Linking business association planning and reporting

Business associations must ensure that the strategic plan, annual business plan and budget and the end-of-year review report documents link together, providing a full annual picture of the progress of the BID programme, its developments and measured achievements.

Diagram 2: Linking together BID programme planning and reporting documents:



3.3 Annual process for setting BID programme targeted rate (Principle 16)

Auckland Council will make the final decisions on which BID programme targeted rates, if any, to set for any particular year or property (in terms of the amount and the geographic area to be rated)¹.

Business associations will be notified as soon as possible in the unlikely event of a discrepancy between the amounts requested at the business association’s AGM and the amount shown in Auckland Council’s annual or long-term plans. Auckland Council will discuss implications regarding this discrepancy with the affected business association.

¹ In accordance with the provisions of the Local Government Act 2002 and the Local Government (Rating) Act 2002.

3.4 BID programme reporting requirements (Principle 12)

Table 1 outlines BID programme reporting requirements for business associations and Auckland Council.

Table 1: Accountability reporting requirements (Principle 12)

Frequency	Requirements
Every three years	<p>Business association reporting requirements:</p> <p>A strategic plan for next 3 – 5 years - reviewed every 3 years</p>
Annual	<p>a) Audited financial accounts² and audit management letter – requirements differ based on amount of targeted rate collected:</p> <ul style="list-style-type: none"> • BID programmes with targeted rate income of at least \$100,000 per annum are required to have their annual financial accounts audited by a registered auditor every financial year • BID programmes with a targeted rate income under \$100,000 per annum are required to have audited financial accounts every two financial years (audit of the financial year just completed only), subject to the previous auditor’s report and management letter not raising any serious concerns, specifically in the areas of financial control outlined below. The decision to allow the financial audit of a BID programme every two years is at Auckland Council’s sole discretion. All business associations will still need to produce annual accounts. • Audits for all BID programmes must report on design effectiveness (i.e. whether the aspect of control is “fit for purpose”) of the financial management control environment: <ul style="list-style-type: none"> ○ Financial and fraud management policies ○ Oversight of financial processing and reporting by the business association board ○ Budget setting and financial reporting ○ Segregation of duties ○ Invoice review, authorisation, payment, recording and reporting processes ○ Any changes in the auditor’s assessment of the effectiveness of the financial management control environment (since the previous audit). <p>b) Planning documents:</p> <ul style="list-style-type: none"> • Business plan, including a minimum of three key performance indicators (KPIs) that are meaningful, measurable and

² Audits must be undertaken by a qualified auditor under section 36 Financial Reporting Act 2013 and NZICA rules. The appointed auditor must not trade from within the BID programme boundary and must not be a member or associate member of the business association.

Frequency	Requirements
Business association board meetings	<p>aligned to achieving the outcomes in the business association's strategic plan</p> <ul style="list-style-type: none"> • Proposed draft budget for the upcoming year. <p>c) Annual review report:</p> <ul style="list-style-type: none"> • Achievement of previous year's objectives against business plan • Report against expenditure. <p>d) Undertake the annual BID programme reporting and alignment workshop/meeting/presentation³ with the local board and business association board:</p> <ul style="list-style-type: none"> • The primary objective of this meeting is to explore how the business association and relevant local board(s) can work together in the 12- to-24 months ahead. • This meeting will also allow the business association to present a review of the previous year and highlights for the year-to-date. • No local board decisions are sought at the reporting/alignment meeting. <p>e) Annual Accountability Agreement to Auckland Council (new to 2016 policy):</p> <ul style="list-style-type: none"> • Brings together all reporting and accountability requirements into one place • Mandatory accountability-related check list signed by the business association board chair • Must be sent to Auckland Council by 10 March each year. <p>See Appendix 4 for a template version of this agreement. Please note this is subject to change.</p> <p>Forwarded to Auckland Council prior to board meetings (for briefing purposes only):</p> <ul style="list-style-type: none"> a) Board meeting agenda and minutes b) Board meeting financial reports c) A copy of the manager's report presented to the board meeting on the BID programme.

³ The decision on whether the annual BID programme reporting/alignment meeting should be informal (workshop or portfolio briefing) or formal (public forum during a local board business meeting) will need to be agreed between each business association board and the relevant local board(s). It is suggested that a workshop would provide the best opportunity for a more detailed discussion between both parties, to review the previous year's activities and discuss potential activities for the next 12-24 months.

Frequency	Requirements
	<p>NOTE: Information provided to the council by business associations will be “held” by the council for the purposes of the Local Government Official Information and Meetings Act 1987 (LGOIMA). If any of this information includes sensitive personal information, or information that is commercially sensitive in any way, this should be made clear by the business association at the time the information is supplied. Clear explanations of the sensitivity of the information should be provided.</p> <p>In the event that there is a request for information received under LGOIMA, Auckland Council will contact the relevant business association to seek feedback, where practical.</p>
<p>Annual</p>	<p>Auckland Council reporting requirements:</p> <p>a) Reporting on BID programmes on:</p> <ul style="list-style-type: none"> • The Auckland BID Programme to the governing body: <ul style="list-style-type: none"> ○ Against overall adherence to the BID Policy (2016) ○ How aligned the region-wide programme is to the “world’s most liveable city” vision. • Localised report for individual BID programmes to local boards based on a review of information forwarded to the BID programme team by business associations which will include: <ul style="list-style-type: none"> ○ Whether all accountability requirements outlined in this policy have been met ○ Whether business associations have taken up opportunities for professional development and networking, including attendance at monthly BID programme network meetings ○ Progress on delivering the business association’s strategic and business plans ○ Outline any strategic initiatives planned or underway, for example, review of the BID programmes, strategic plan, a BID programme boundary expansion or amalgamation with another BID programme ○ Update on resolving any problems, issues or serious concerns⁴ ○ Recommendations on whether the local board should continue to recommend to the governing body to set the BID programme targeted rate. <p>b) End-of-year variance report (rates team):</p> <ul style="list-style-type: none"> • To outline variances between the amount of targeted rate that was agreed to be collected, as detailed in the Annual Plan (or Long-term Plan) and the amount of targeted rate actually collected over the financial year just ended.

⁴ See Section 4.0 – local boards will be informed of any serious concerns as they arise and during the implementation of processes to deal with them.

4.0 Problems, issues and serious concerns

It is an expectation of this policy that all parties will act with integrity, good faith and professionalism. The common causes of problems, issues or serious concerns include 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 Auckland Council.

This part of the Policy Operating Standards identifies processes to deal with problems, issues and serious concerns, supporting Part 1.

4.1 Identifying and dealing with problems, issues and serious concerns (Principles 17 and 18)

Appendix 5 provides a chart setting out a stepped process of intervention and outlines the parties involved and decision-making. In the first instance the problem, issue or concern needs to be identified as either relating to the business association (governance or management) or the BID Programme (development or operation).

If in both instances the problem or issue escalates to become a serious concern, the Auckland Council BID programme team will assess the situation and determine whether there is a risk to the local BID programme and/or the reputation of the regional programme.

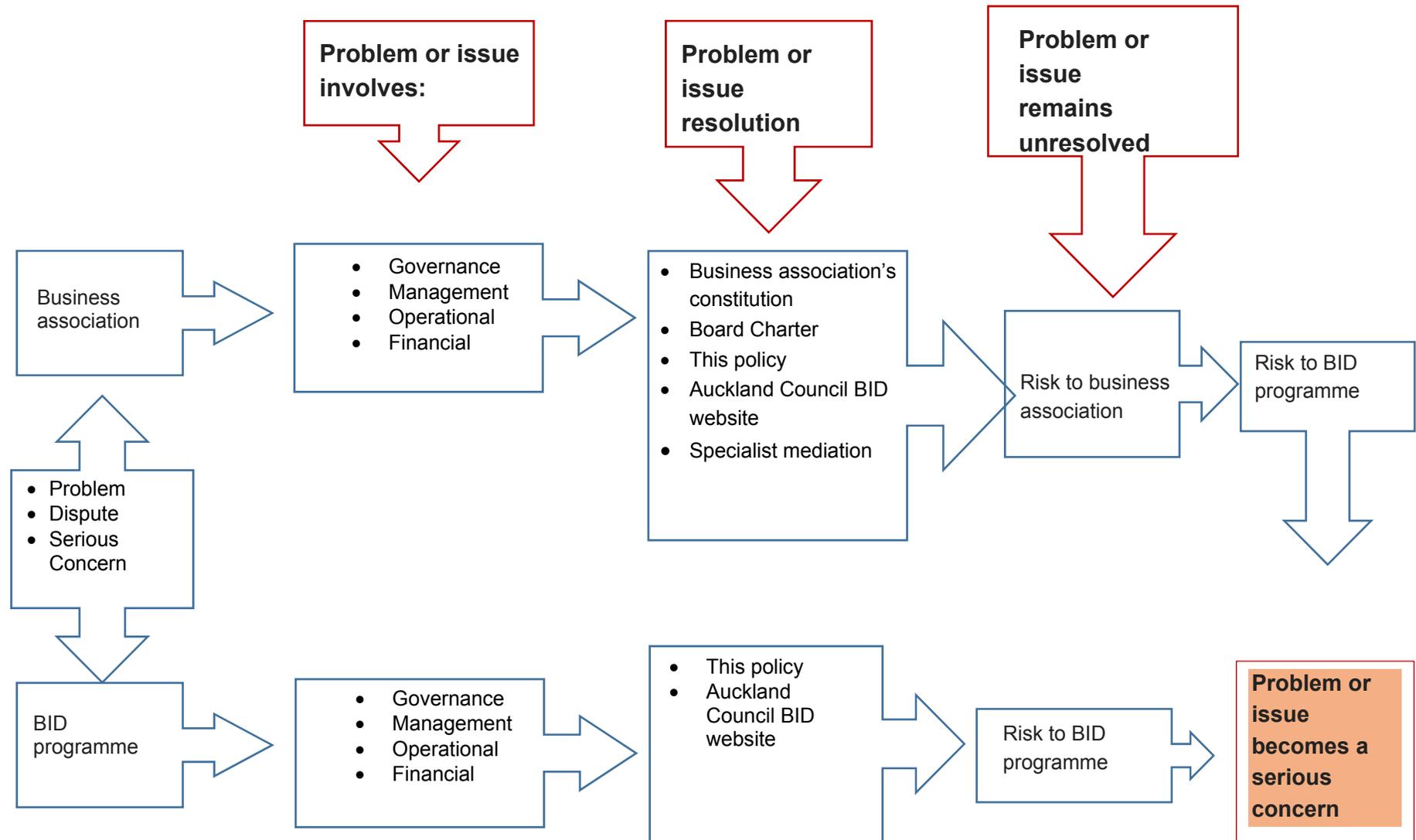
The majority of problems or issues can be resolved using the business association's own documents (rules of the society, constitution or board charter) and/or this policy. It is expected that all business association's operating a BID programme will have appropriate governing documents which are robust and sufficient to guide the board to resolve these problems, issue and serious concerns.

Table 1 provides some examples of problems, issues and serious concerns (not an exhaustive list). Diagram 3 outlines the process for identifying a problem, issue or serious concern,

Table 2: Examples of problems, issues or serious concerns

Problem/issue/serious concern	Description
Breach of business association's constitution	<ul style="list-style-type: none"> • Failure to reach a quorum • No financial reports at monthly meetings • Not implementing auditor recommendations • Failure to hold required number of board meetings
Failure to complete the Annual Accountability Agreement	<ul style="list-style-type: none"> • Agreement not completed or signed • Support documents not provided • Actions not completed
Loss of key personnel	<ul style="list-style-type: none"> • Failure to appoint board/committee positions • No separation of duties between management and governance • Failure to allocate managerial responsibilities
Failure to communicate with Auckland Council	<ul style="list-style-type: none"> • Failure to respond to the written notifications and requests to remedy
Conflict of Interest	<ul style="list-style-type: none"> • Conflict not identified or managed appropriately
Financial and cash flow issues	<ul style="list-style-type: none"> • Lack of funds, inability to pay debts, using an overdraft facility
Struck off the Companies Office register of incorporated societies	<ul style="list-style-type: none"> • Failure to lodge appropriate documents with the Companies Office
Inappropriate business practices	<ul style="list-style-type: none"> • Misappropriation of BID programme targeted rate grant funding • Ongoing financial issues, such as overspending or the accumulation of unsustainable debt
Growing evidence of a BID programme being used as a vehicle for personal versus collective good	<ul style="list-style-type: none"> • By BID governance or management • Domination of the programmes by one interest group at the expense of the majority of members

Diagram 3: Identifying the problem or issue



4.2 Conflict of interest situations (Principle 18)

There are a number of conflict of interest situations that could arise (either real or perceived) that if not addressed have the potential to become a serious concern. A business association board charter (see Section 2.4 f) for further details on board charters) must include the process for the board to manage and deal with conflicts.

Table 3: Conflicts of interest and resolutions

Potential conflicts	Potential resolution
<p>Business association board member – potential for a business association board decision to result in direct personal or business gain for that board member (also includes any potential direct benefit to family and friends of a board member)</p>	<ul style="list-style-type: none"> Record actual/potential/perceived conflicts on the conflict of interest register Business association board member affected not to take part in the discussion or voting relating to this matter
<p>BID management – potential for a BID programme manager or contractor to directly benefit from a business association board or BID programme procurement (also includes any potential direct benefit to family and friends of a manager or contractor)</p>	<ul style="list-style-type: none"> Manager or contractor raises the potential conflict at the relevant business association board meeting and business association board makes a decision on how to proceed. BID managers or management contractors are responsible to the business association board for all employment/contractual matters
<p>Local board members:</p> <p>a) As a business owner or business representative elected onto the business association board</p>	<p>a) They are there in the capacity of only representing their property or business interest and not the local board</p> <p>Only the local board member appointed to represent the local board in the BID programme can participate and represent the local board at business association board and general meetings</p>

Potential conflicts	Potential resolution
<p>b) As a BID affiliate attending business association board meetings and not elected onto the business association board</p> <p>c) Local board members undertaking BID programme management</p>	<p>b) Any BID affiliate can attend a business association board meeting as an observer only but must refrain from joining in any discussions, unless invited to do so</p> <p>c) There are no legal restrictions on a local board member also undertaking BID programme management. There is a legal obligation for elected members to balance their interests when they are being asked to make a decision (at a local board meeting) affecting a BID programme they manage</p> <p>Note: BID managers or management contractors are responsible to the business association for all employment/contractual matters.</p>
<p>BID programme resources (management, governance time or funds) used for any political purposes</p>	<p>BID programmes resources cannot in any circumstances be used to endorse or support a particular candidate or political party.</p>

4.3 Exceptional circumstances - serious risk to the BID programme – interim direct management by Auckland Council (Principle 18)

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

- a) Once all mechanisms to resolve problems outlined in Appendix 5 Policy Operating Standards have been exhausted; and/or
- b) Where new information comes to light during the process to resolve (outlined in Table 4 Policy Operating Standards) that poses a serious risk to the viability of the BID programme.

This action relates only to the BID programme and **not** the operation of the business association.

Auckland Council may withhold the BID programme grant payment from the affected business association as an interim measure.

Where BID programme grants are withheld, funds (or part of) will be held in a separate account by Auckland Council and will be used to fund existing BID programme commitments.

Where there is a shortfall to pay for existing commitments, Auckland Council can seek to recoup costs from BID Programme members (BID affiliates), through future years' targeted rates.

Auckland Council will review initiatives undertaken by the BID programme. The council will then assess what is appropriate for the council (or its agent) to continue undertaking and whether this activity is aligned to the BID programme's strategic and/or business plan. Following this assessment, Auckland Council (or its agent) may cease undertaking activities at its discretion. It is important to note that council staff are acting to support the BID programme and its economic development objectives, but not to act solely in the interests of the business association.

The relevant local board(s) will be advised if this process is being considered for a particular BID programme and have final decision-making responsibilities. The governing body will then consider whether to set a targeted rate for the BID programme in any particular year.

Note: It is the responsibility of the business association to make contact with parties that they have ongoing commitments and formally advise the party of the situation and to make necessary arrangements to remain a going concern and for the business association to remain financially solvent.

If interim management by Auckland Council does not lead to the rebuilding of an independent and sustainable business association structure, Auckland Council's BID programme team will seek approval from the relevant local board to either:

a) disestablish the BID programme; or

- b) request a ballot to review the mandate for the BID programme (see Section 6.4). This would only be used if Auckland Council sees benefit in having a BID programme continue in a particular area e.g. it's located within a Spatial Priority Area and/or a priority for Panuku Development Auckland.

4.4 Requesting a ballot to review a BID programme (Principle 18)

A business area can experience significant change over time with property and businesses being sold. New owners can be unaware of the benefits of the BID programme and existing members may feel dissatisfaction with the way the model is working.

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

- a) The business association – board-initiated
- b) The business association – member-initiated
- c) Auckland Council.

Note 1: Board-initiated (a) and member-initiated (b) requests will require the parties to first refer to the business association's rules of the society (constitution) to understand and identify the necessary steps and processes required to bring these requests before the association membership to decide or confirm the review. In the first instance, all requests must be directed to the business association chair.

Note 2: Reviews only apply to the BID programme. The entity (the business association) will continue to operate under its rules of the society (constitution) document.

Each of these three approaches for initiating a review of the BID programme will require a ballot process. The ballot process must follow the process outlined in Table 3 (BID programme ballot process and requirements).

- a) **Board initiated review** - the board may decide it no longer wishes to continue with the BID programme and the annual BID programme targeted rate grant funding the board currently receives. To initiate a review of the BID programme, it is required to:
- Formally notify Auckland Council's BID programme team, as soon as practically possible, after this resolution has been passed at a BID board meeting. A copy of the minutes needs to be forwarded to Auckland Council's BID programme team.
 - Formally notify the local board, as soon as practically possible, after this resolution has been passed at a BID board meeting. A copy of the minutes needs to be forwarded to the local board representative and local board.

- Formal notify all members of the business association (as directed by the rules of the society (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 BID ballot.
- Formally notify the local board, as soon as practically possible, after the AGM/SGM that the special resolution has been approved by the members and forward a copy of the meeting minutes to the local board representative and local board.

Note: In the event of the members of the business association voting to retain the BID programme and BID programme targeted rate grant, Auckland Council's BID programme team will discuss these on a case-by-case basis with the local board and business association.

b) **Member-initiated review** – a member may bring a request to the business association board to hold a ballot to review the level of support for the BID programme.

The member is responsible for notifying Auckland Council's BID programme team and the local board representative/local board as soon as possible. The member must follow the processes outlined in the association's constitution in bringing a resolution before an AGM/SGM.

Note: the board may ask the member to provide evidence of support for the request.

3. **Auckland Council-initiated review.**

Auckland Council may (in exceptional circumstances) undertake a ballot to provide a mandate to continue or cease a BID programme.

Where a ballot results in a mandate to cease a BID programme, this will require:

- The BID programme targeted rate grant amount, as shown in the Auckland Council annual plan, to continue to be collected from members until the end of the current financial year (30 June).
- Business associations which cease to receive the BID programme targeted rate grant funds shall continue to meet all accountability and reporting requirements for the following financial year as per Section 3.

See Section 6.0 for ballot processes.

5.0 Rating mechanisms

This section of the Policy Operating Standards outlines operational details relating to BID programme rating mechanisms, to support Part 1.

5.1 Rating options for the collection of a BID programme targeted rate (Principle 1)

There are three BID programme rating options:

- a) **Proportional value method** - Every property that qualifies and is liable to pay the BID programme targeted rate pays a percentage of the BID programme targeted rate against the property's capital value (CV) + GST. The percentage (rate in the dollar) is calculated by taking the total BID programme grant funding payment and dividing it by the total capital value of the properties located within the BID programme boundary. Properties with higher capital values will pay a greater proportion of the BID programme targeted rate than less valuable properties.
- b) **Flat rate method** - Every property that qualifies and is liable to pay the BID programme targeted rate pays the same single flat amount. The maximum flat rate amount is \$500 + GST.
- c) **Hybrid method** – combination of a) and b) above - every property that qualifies and is liable to pay the BID programme targeted rate pays the flat rate (maximum flat rate amount is \$500 + GST) plus the proportional rate. This method evens out the impact of the BID programme targeted rate when there are a number of larger businesses and small businesses. A hybrid rate flattens out the highest and lowest rates when there is a large variance between the higher and lower capital values.

Business associations will recommend to Auckland Council which rating option they wish to adopt. This should be based on their assessment of which rating option provides a fair distribution of targeted rate among BID programme affiliates.

Business association's operating BID programmes can review their current rating mechanism using the following process:

- Approval to review the rating mechanism must be confirmed as a special resolution at a business association AGM
- The business association must then seek a mandate for the changed mechanism by way of a ballot (see Section 6.0) of all BID members who pay directly or indirectly the BID programme targeted rate
- If the mandate has been achieved, the proposed rating mechanism change can then be finalised/confirmed at an SGM to be held before 30 April (for a 1 July start) or at a special resolution of the business association's AGM to take effect from the start of the following financial year.

5.2 Rating mechanisms, collection and grant payment characteristics

There are many factors regarding rating mechanisms, rates collection and BID programme grant payments:

- a) The BID programme targeted rate collected from individual business ratepayers includes GST.
- b) The BID programme targeted rate amount paid to the business association is a grant:
 - No GST is applied to these grants as no service is provided between the business association and Auckland Council
 - The relationship between the Auckland Council and the business association is not a contract for service.
- c) The amount showing in the Auckland Council annual plan will be the amount of grant paid to the business association.
- d) The BID programme targeted rate year begins from 1 July. Grants are paid to the business association in quarterly payments.

5.3 End-of-year variance processes – Auckland Council

Where more targeted rates have been collected than budgeted, the outstanding sum will be deducted from the BID programme target rates requirement for the following year. This will reduce the BID programme target rate accordingly.

Where fewer rates have been collected than budgeted, the difference will be added to the rates requirement for the following year. This will increase the BID programme targeted rate accordingly.

The business association board will be advised of any surplus or deficit. Where the surplus or deficit exceeds 3 per cent of the BID programme targeted rates requirement for that year, a full explanation will be provided to the business association board.

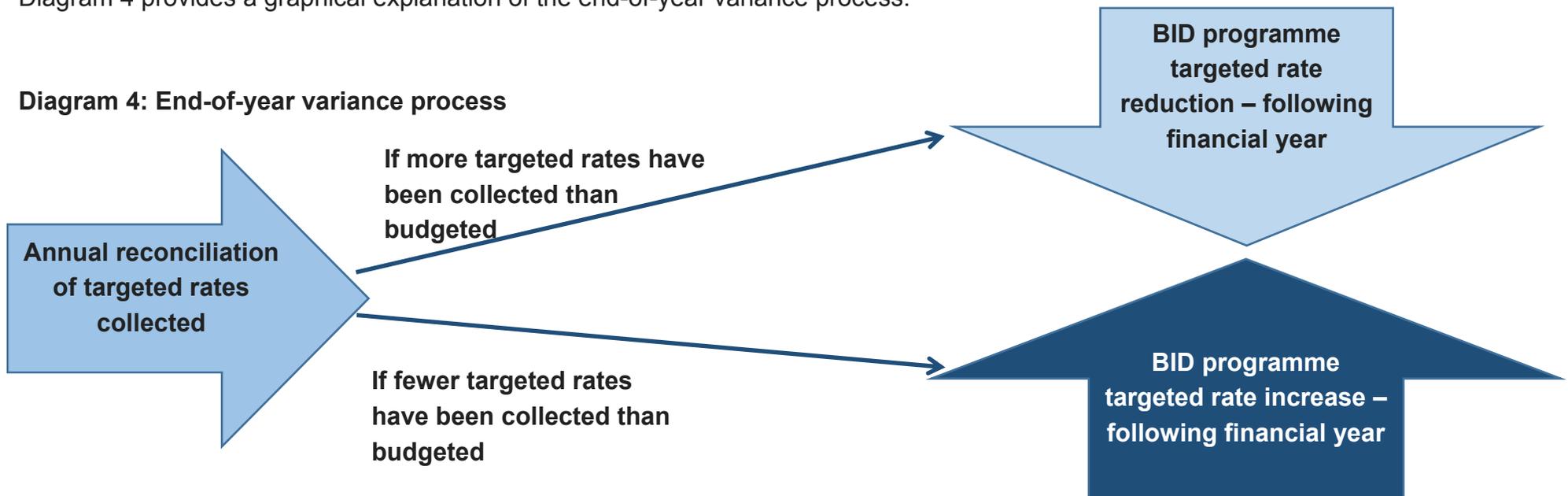
In both of these scenarios the business association's actual grant payments will still equal the amount outlined in Auckland Council's annual or long-term plan. This process will not affect the budget agreed at the business association's AGM.

Actual rates collected sometimes vary from what was forecast. This occurs when changes to the nature and value of properties occurs between the time the calculation of rates based on property values is undertaken in late May/early June and when rates for each property are calculated. It may also occur when property owners object to their valuations or provide additional information about their property during the financial year. This can lead to a change in their rating liability.

The variance process outlined in this section will take effect from the 2017/18 financial year and will be based on a reconciliation finalised during June 2017. Any outstanding BID programme surplus or deficits from previous financial years will be considered as part of this reconciliation and reflected in the BID programme target rate for 2017/18.

Diagram 4 provides a graphical explanation of the end-of-year variance process.

Diagram 4: End-of-year variance process



5.4 Impact of a BID targeted rate on differing property types

Business associations may identify residential properties that are being used for business purposes (as the predominant use) within the BID programme boundary and question, on a case-by-case basis, whether these ratepayers should be paying a business rate on all or a proportion of the property and, therefore, a BID programme targeted rate.

The rating of specific properties will be at the discretion of Auckland Council's rating department.

Property types that are exempt from paying the BID programme targeted rate and participating in a BID programme are, therefore, ineligible to vote in any BID programme ballot include:

- a) Businesses which provide a business address, which is a commercial property within the BID programme boundary but cannot provide sufficient proof that they are actually trading from that property, to the satisfaction of the independent election agent
- b) Auckland Council-owned properties - excluding property rented to commercial tenants
- c) Residential property owners - excludes any proportion of the property used for commercial activities
- d) State educational facilities - excludes any proportion of the property used for commercial activities
- e) Religious facilities/places of worship - excludes any proportion of the property used for commercial activities.

5.5 Processes for increasing or decreasing BID programme targeted rate amounts

There may also be times when the business association wants to consider increasing, or decreasing, the annual BID programme targeted rate grant amount. There are two options available to a board when considering changes to its targeted rate:

- a) A 'one off' arrangement to increase its targeted rate amount for a set period of time
- b) An ongoing arrangement to set its targeted rate at a new baseline level.

The business association must be clear whether any increase is a 'one-off' or ongoing, and record clearly the intention and purpose for the increase in the annual income and expenditure budget required to operate the BID programme. This must be presented at the AGM in the year *previous* to the proposed budget coming into effect. The reasons for the proposed change to the BID programme income and expenditure budget in the following year must be clearly identified and communicated to members.

The amount of variance to a BID programme budget requires either a resolution, or a special resolution, to be passed at the AGM:

Option 1 – Standard Resolution - an increase or decrease of **less than 10% or \$10,000** (whichever is the higher) – requires a resolution listed on the notice of the AGM advising all members of the BID programme of the intention to change the BID targeted rate grant income.

The resolution wording must include the following information:

- The current BID programme targeted rate grant amount
- The proposed increase/decreased amount
- The total BID programme targeted rate grant proposed for the following financial year
- The reason, or purpose for the increase/decrease
- Whether it is an accumulative increase/decrease or a 'one-off' amount.

a) **Option 2 – Special Resolution** - an increase or decrease **greater than 10% or \$10,000** (whichever is the higher) – requires a special resolution listed on the notice of the AGM/SGM advising all members of the BID programme of the intention to change the BID programme targeted rate grant income.

The special resolution must include the following information:

- The current year's BID programme targeted rate grant amount
- The proposed increased/decreased amount
- The total BID programme targeted rate grant proposed for the following financial year
- The reason or purpose for the increase/decrease
- Whether it is an accumulative increase/decrease or a 'one-off' amount.

6.0 BID programme process requirements

This section of the Policy Operating Standards supports Part 1 and outlines operational processes relating to BID programme:

1. Establishment
2. Disestablishment
3. Expansion
4. Boundary reduction
5. Boundary amalgamation
6. Rating mechanism change.

6.1 Planning processes

Experience has shown that development, or amendment, of a BID programme can take up to two years to complete. These processes require considerable time and money.

Criteria for the selection of a potential BID programme (establishment) have been developed (see Appendix 3) and have been designed to ensure that:

- a) The business association proposing to establish a BID programme has evolved to a stage of maturity in its operations and relationship with its local board (identified in the local board economic plans and/or local board plan as a priority)
- b) That council resources directed at supporting new BID programme establishment are focused on those areas of Auckland that provide the greatest opportunity for growth and economic development.

Further requirements regarding the BID programme processes outlined can be found in Appendix 2.

6.2 Ballot processes (Principles 22 and 26)

Each ballot must be based on the principle of 'one entity – one vote', an entity being a ratepayer and/or a business/occupier:

- a) Ratepayer entity – a business ratepayer may be a 'sole ratepayer' (one individual named), joint ratepayers (more than one individual named), or an entity ratepayer (a firm, company, trust, corporation or society). Each ratepayer (whether 'sole ratepayer', 'joint ratepayer' or 'entity ratepayer') is entitled to one vote. (Data sourced from Auckland Council's rating database).
 - b) Business/occupier entity - a business/occupier is a business located and run within a property. Each business/occupier entity is entitled to one vote. (Data sourced from the relevant business association).
- NOTE 1: Where a ratepayer is the ratepayer for a number of properties s/he will be entitled to one vote.
 - NOTE 2: Where a ratepayer is also the occupier, s/he will be entitled to one vote.
 - NOTE 3: Each business/occupier is required to provide a contact name for a person who will receive the voting document and vote on its behalf. However, the eligible voter is the business/occupier and/or the ratepayer, not the contact name/person.

Table 5 below provides a summary of the ballot processes that must be followed.

Table 5: Ballot processes (Principles 23, 24 and 25)

Eligible voters list	Ineligible voters	Ballots and mandate
<p>Must include both business ratepayers and business occupiers and is sourced as follows:</p> <ul style="list-style-type: none"> • Auckland Council provides a database of business ratepayers in the proposed BID programme area • The business association 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: <ul style="list-style-type: none"> ○ Commercial/business-zoned property or business-rated property address ○ Residential properties but operating a business (as the predominant use) from that property address ○ A commercial business/tenant leasing premises within an Auckland Council-owned property ○ Any other business activities operating on any property. • The business association is required to create an up-to-date and accurate business database. • The business association is required to publish the preliminary eligible voter list (business name and property address only) at least one month before any proposed ballot, to enable transparency of the 	<p>Parties who are ineligible to vote in a BID programme ballot include:</p> <ul style="list-style-type: none"> • Businesses who provide a business address, which is a commercial property within the BID programme boundary but cannot provide sufficient proof⁵ that they are actually trading from that property, to the satisfaction of the independent election agent • Auckland Council - will not be able to vote, as this could be perceived as being a conflict of interest • Relevant business association - will not be able to vote, as this could be perceived as being a conflict of interest • Residential property owners • State educational facilities 	<p>Ballots:</p> <ul style="list-style-type: none"> • Are coordinated by an independent polling agent separate from Auckland Council and the business association. • Run as postal ballots or a mixture of postal and electronic (voting papers are still posted but with an option to complete online) • The period between the mail out of the ballot papers, and close-off for return of ballots should be at least four weeks (20 working days) • They must avoid school and public holidays and be complete by the end of March in any year • The ballot pack must include a range of material⁶ dependent on the process underway and must be signed off by the BID programme team before sending to the independent election agent • Business associations must undertake any voting campaign in a democratic manner and must not interfere with or unfairly influence voters⁷ • During the ballot period, business associations will receive a maximum of twice-weekly reports on voting document returns from the independent election agent.

⁵ Policy Operating Standards Section 2.3b) provides some guidance on this.

⁶This includes the proposed BID programme map (where relevant), rating mechanism, BID programme targeted rate grant amount and budget, business association’s relevant objectives and goals, purpose of the ballot, business association membership form and key contact details of independent election agent and BID programme team.

⁷ Section 122 and 124 of the Local Electoral Act 2014 provides guidance on how these concepts will be interpreted.

Eligible voters list	Ineligible voters	Ballots and mandate
<p>ballot process and ensure businesses are aware of whether they will receive voting information. Personal information should be removed from the published list.</p> <ul style="list-style-type: none"> Any new business ratepayer or business occupier that is established prior to the ballot closing can vote, provided they are able to submit their ballot before it closes. No ballots will be accepted after the time and date specified. 	<ul style="list-style-type: none"> Religious facilities/places of worship. <p>Note: Auckland Council's rating team has the final say on any detailed rating matter.</p>	<p>Mandate:</p> <ul style="list-style-type: none"> A valid ballot must achieve a threshold of at least 25% of the total voting forms being returned Of the returned voting forms, a minimum of 51% of the votes must be in favour of the proposition raised on the ballot form to achieve a mandate. A ballot that fails to meet the required mandate will result in a two-year stand down period before another ballot can be held. <p>Note: All material included in the ballot voting mailer must be neutral/impartial and must not lead or instruct the voter on the direction they should vote. A ballot pack template and further guidance will be provided by Auckland Council BID programme team.</p>

In the event of a ballot mandate being achieved, the ballot result is one “tool” that will assist in assessing whether to proceed with the BID programme process outlined above. There are other steps that must be followed before the BID programme processes outlined can be confirmed:

- a) An SGM of the business association to accept the ballot result and relevant process details (such as budget, business plan, boundary map etc.)
- b) Report to, and resolution from, the relevant local board to accept the mandate and process detail, and recommend to the governing body to set the targeted rate
- c) The governing body resolves to set the targeted rate, as part of the annual plan/long-term plan decision making processes.

6.3 Disestablishment – excess funds

In the event that a BID programme is disestablished, once debts and liabilities of the business association have been discharged, any remaining unspent BID programme grant monies held by the business association must be returned to Auckland Council. Any unspent funds will be applied towards any propose for which the targeted rate was set.

7.0 BID programme growth mechanisms and partnerships

Business associations operating a BID programme are encouraged to implement growth mechanisms in order to reduce their reliance on the BID programme targeted rate grant funds as their only source of income.

Table 6 below provides examples of the two growth areas.

Table 6: Growth mechanisms (Principle 27)

Facilitated via the BID Policy (2016)	Facilitated by the business association
<p>a) Expansion of BID programme boundaries:</p> <ul style="list-style-type: none"> The business association board considers this during the annual review of its strategic/business plans. <p>b) Amalgamation of two or more BID programmes and boundaries:</p> <ul style="list-style-type: none"> Require co-operation from each affected business association Consultation with members is required, along with approval from the affected local board(s). <p>BID programme expansion and amalgamation processes can be found at Section 6.0</p>	<p>a) Alternative income:</p> <ul style="list-style-type: none"> Grants, sponsorships, business ventures or selling services Alliances – may include the local board, other business associations, CCOs, local businesses, educational institutions, government agencies, not-for-profits, social enterprises, or iwi. The benefit of working with these parties is that each has something to contribute towards achieving the desired outcome. Examples include placemaking, local and town centre branding, operating CCTV systems and other security initiatives. Shared services and service contracts – business associations working together to provide joint services, reducing cost and generating income for those that are providing the service. Examples include security, marketing, management of BID programmes and one-off contracts for BID programmes. <p>b) Creating better value for members:</p> <ul style="list-style-type: none"> Business associations should consult regularly with their members regarding services provided to see if they provide value, or develop new services or initiatives that could create value, based on member feedback.

7.1 Partnership opportunities (Principle 29)

Auckland Council's BID programme team will work within Auckland Council (organisation) and CCOs to identify potential partnership opportunities and leverage for the wider Auckland BID Programme. For example, this could include working closely with key stakeholders and business associations to investigate and pilot opportunities to provide assistance to Māori businesses or facilitate Māori economic development. There is likely to be a geographical focus for this work, as a significant proportion of Māori live in south and west Auckland. This is aligned to the transformation shift outlined in the Auckland Plan of significantly lifting social and economic outcomes for Māori and the cross-cutting theme (iwi/Māori economic powerhouse) in the Economic Development Strategy.

List of Appendices to the Policy Operating Standards

- Appendix 1 – BID programme agreement – BID Policy (2016) **(Principle 5)**
- Appendix 2: BID programme process requirements and criteria
- Appendix 3 – Criteria for new BID programme establishment **(Principle 4)**
- Appendix 4 – Draft Annual Accountability Agreement
- Appendix 5: - Stepped process of intervention to resolve a problem, issue or serious concern **(Principle 18)**
- Appendix 6: - Strategies that relate to the Auckland BID Programme **(Section 1.0)**

Appendix 1 – BID programme agreement



Insert business association logo here

Agreement between

Auckland Council and [insert name] Business Association

Business Improvement District (BID) Programme Agreement

[insert name] Business Association (the **business association**) is registered under the Incorporated Societies Act 1908 and undertakes business-led programmes initiated by the local business community, which promote and develop its local business economy. Auckland Council recognises the role the business association has in contributing to the economic development of local communities and the region as a whole. Auckland Council wishes to work with the business association to establish and implement the BID programme.

In signing this agreement the parties agree to the following in order to achieve the aims of the BID programme:

1. The parties agree to work together under the BID Policy (2016).
2. The business association agrees to comply with all aspects of the BID Policy (2016).

Appendix 2: BID programme process requirements and criteria

Actions listed below are mandatory and need to be completed in the following order.

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
Business association thinking – to consider if a BID programme establishment/expansion etc. is achievable						
1. Business association BID programme documentation	<p>The proposed BID programme and or change to the programme is included and identified in the business association's strategic plan and business plan.</p> <p>The business association will need to consider if there is sufficient need/interest in establishing a BID programme or that the existing BID programme is rich enough in value and benefit to be expanded and delivered to a wider and more diverse business audience.</p> <p><i>Evidence: The strategic and business plan documents detailing and showing the proposed the BID programme and or boundary change.</i></p>	✓		✓	✓	✓
2. BID programme DRAFT boundary Map	<p>A map that identifies the proposed BID programme.</p> <p>A map that identifies the current BID programme and the proposed BID expansion area.</p> <p><i>Evidence: A map clearly showing the proposed BID programme boundary lines marked along roads and</i></p>	✓		✓	✓	✓

⁸ Or change to the BID programme rating mechanism (flat, proportional or hybrid).

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<p><i>or property boundary lines.</i></p> <p><i>Note: All business rated properties within the boundary (Principle 2) will be required to pay the BID programme targeted rate. The BID programme boundary map must not contain any gaps within its outer boundary (such as a donut shaped boundary) or exemptions from the targeted rate. This is to ensure that all business ratepayers and business occupiers within the BID programme boundary pay for the benefit received from BID programme activities.</i></p>					
3. Research	<p>Consultation and engagement with affected parties. This includes the local board (local board plan), property and business owners located in the proposed BID area or study area. This research work will help define the feasibility for all BID programmes including establishment, dis-establishment, expansion, amalgamation and change to the rating mechanism. The association will need to ask the questions to the property and business owners in this area and identify where the BID programme will need to align, evolve, develop, change or expand.</p> <p>Questions to be asked include:</p> <ul style="list-style-type: none"> • What are these business owners thinking about their area? • What support do they need? 	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<ul style="list-style-type: none"> • Identify issues and opportunities • Identify communities of interest, like with like <p>Data collected will assist with the development of the eligible voter list see criteria 10.</p> <p><i>Evidence: that there is a reason to consider a BID programme or change to an existing BID programme. That there is a need and from those affected property and business owners located within the proposed BID area.</i></p> <p><i>This proof could be in the form of a business survey and or a reference to the number of associate members with the association.</i></p>					
4. BID Project plan, timeline and budget	<p>The business association will need to develop the following:</p> <ol style="list-style-type: none"> 1. Project plan and timeline: A rough draft of the steps and stages required as per the Policy (2016) and to be taken to achieve a BID programme establishment or change including the BID ballot dates. <p>Note: the ballot period must be no less than 4 weeks and avoid taking place during public holidays.</p> <p>BID ballots must be completed by the end of</p>	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<p>March in any year.</p> <p>2. Project budget: A detailed project budget identifying the resources and expenditures (including gratis) required to complete the BID programme project.</p> <p><i>Evidence: project timeline needs to show for example:</i></p> <ul style="list-style-type: none"> • AGM dates • Ballot period dates (confirmed by the independent election agent) • Reporting dates. <p><i>A project budget needs to include:</i></p> <ul style="list-style-type: none"> • Staff time • Collateral design and printing • Meeting expenses • Advertising including signs • Ballot costs • Postage • Communication costs. 					
Getting the BID programme project on to the Auckland Council work list.						
5. Initial discussions with Auckland Council BID programme	<p>Discussion 1: The business association board meet with the Auckland Council BID programme team to discuss the proposed BID programme project.</p> <p>Discussion 2: Auckland Council BID programme</p>	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
team and the local board	<p>team will arrange a meeting with the local board to present the proposal. This meeting may take the form of a local board workshop presentation or a meeting with the local board ED portfolio holders.</p> <p><i>Evidence: Contact the BID programme team to arrange a meeting to discuss the proposed BID programme project. You will need to bring along and present the business association's thinking, research and project timeline supporting the project.</i></p> <p><i>At the conclusion of this discussion, subject to any changes to the project plan, the BID programme team will make a request to present the project to the local board.</i></p>					
6. Formal notification to BID programme team	<p>Business association to notify Auckland Council of the proposed project including a copy of all documents that support the project.</p> <p><i>Evidence: letter or email advising Auckland Council of the proposed project including the draft BID programme map, BID programme documents, support evidence and timeline.</i></p>	✓	✓	✓	✓	✓
AGM/SGM preparation						
7. Draft BID programme map to final version	<p>Auckland Council BID programme team will forward the draft BID programme map to GIS and request the matching property ratepayer information data.</p> <p><i>Evidence: A final version of the proposed BID programme map will be forward to the business association.</i></p>	✓		✓	✓	

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
8. BID programme targeted rate modelling spreadsheet	<p>Auckland Council BID programme team will request a BID target rate modelling spreadsheet which will be forward to the business association. This spreadsheet will enable the association to calculate and decide on the appropriate rating mechanism and BID programme targeted rate grant amount that is best suited for their area. This information will show what impact the amount of BID programme targeted rate grant will have on individual ratepayers.</p> <p>This spreadsheet will include the ratepayer information, property address and any relevant contact information held by Auckland Council.</p> <p><i>Evidence: The association reaches a decision on the rating mechanism and what amount of BID programme targeted rate grant will be put before the members at and AGM/SGM.</i></p>	✓		✓	✓	✓
9. Local board approval of the proposed BID programme map	<p>The business association (supported by an Auckland Council organisation) officer report presents the proposed BID programme map and project to a local board business meeting for inclusion into the local board annual plan consultation.</p> <p>The Auckland Council BID programme team will produce an officer report to the local board business meeting outlining the proposed BID programme project and seek local board approval to progress with the BID project and proposed map. Report will include the proposed BID programme boundary map.</p> <p>Note: Approval to be current and dated no longer</p>	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<p>than one year from the start of the ballot date.</p> <p><i>Evidence: The business association presents to the local board business meeting outlining the proposed local board regarding the BID programme project.</i></p> <p><i>The local board pass a resolution (noted in the local board meeting minutes) approving the proposed BID programme map and support for the project.</i></p>					
10. Draft income and expenditure budget for the spending of the BID programme targeted rate grant	<p>Using the information gathered in the research and using the target rate modelling spreadsheet the business association needs to develop a draft, high-level income and expenditure budget to cover the delivery of the BID programme.</p> <p>Note: It is possible to, concurrently, hold a ballot allowing the current BID programme eligible voters to vote on a change to the rating mechanism – see section 5. Rating mechanisms.</p> <p><i>Evidence: draft budget for delivering the BID programme into the BID programme area for approval at an AGM/SGM</i></p>	<p>✓</p> <p>Establishments must provide an income and expenditure budget for the first two-years of BID programme operation.</p>		✓	✓	✓
Annual General Meeting (or SGM) - membership approval to proceed with the BID project						
11. Business association membership approval	<p>The proposed BID programme project must be presented as a special resolution to the membership at an AGM/SGM for approval.</p> <p>The information presented includes:</p> <ul style="list-style-type: none"> The proposed BID programme map 	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<ul style="list-style-type: none"> • The income and expenditure budget • The rating mechanism • The revised business plan and any other support documents. <p>Note: for BID programme expansions two budgets will need to be presented.</p> <ol style="list-style-type: none"> 1. Draft budget for the existing BID programme boundary, should the BID programme expansion fail to reach a mandate. 2. Draft budget for the combined (existing and proposed expansion) BID boundary, should the BID expansion successfully reach a mandate. <p>Note: Approval to be current and dated no longer than one year from the start of the ballot date.</p> <p><i>Evidence: The business association present to its members special resolution/s (including the reasons) on the proposed BID programme project.</i></p> <p><i>A copy of the AGM/SGM documents must be forward to Auckland Council BID programme team.</i></p> <p><i>A copy of the AGM/SGM meeting minutes including the resolution/s supporting the following:</i></p> <ul style="list-style-type: none"> • <i>The proposed BID programme map and project moving forward</i> • <i>The income and expenditure budgets, subject to the ballot</i> • <i>The rating mechanism</i> • <i>The revised business plan and any other</i> 					

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<i>support documents.</i>					
12. Draft BID programme targeted rate grant included in the Auckland Council draft Annual Plan	<p>After the AGM/SGM the business association must send to the Auckland Council BID programme team the AGM/SGM decisions and resolutions including the AGM/SGM minutes confirming the acceptance of the draft income and expenditure budgets and other documents.</p> <p><i>Evidence: The proposed BID programme grant amount (existing or combined BID programme boundary area) whichever is the greater) is forward for inclusion into the draft annual plan.</i></p>	✓	✓ No target rate included	✓	✓	✓
Campaign towards ballot date						
13. Eligible voter list	<p>The business association now needs to build and confirm the eligible voter list. This is the list of all commercial zoned property owners and businesses (including any business activity) operating within the proposed BID programme boundary area that are eligible and entitled to vote in the BID programme ballot.</p> <p>The business association will need to cross match the data contained in the Auckland Council rates modelling spreadsheet (provided at criteria 8) with the business activity on the street and detailed on the map, with the business contact details collected from each business.</p> <p>The data to be included on the eligible voter list is:</p> <ul style="list-style-type: none"> • Business name • Street address 	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<ul style="list-style-type: none"> • Postal address (if different to the above) • Email • Telephone number • Name of the eligible voter (business representative) who will receive the ballot papers. <p><i>Evidence: a hard copy of the eligible voter list is made available by the business association to all eligible voters to enable the eligible voters to check they are included on the register/list and their details are correct.</i></p>					
14. The Campaign – the purpose, reason and value behind the proposed BID programme.	<p>The business association will need to develop, collate the project campaign material. This material (collateral) is the written content or message communicated to all eligible voters involved in the BID project. The collateral must include the following information:</p> <ul style="list-style-type: none"> • The reason behind the proposed BID programme and ballot proposal • The BID programme business plan reflecting the feedback collected in the research criteria (3) and identifying the key issues and opportunities, goals or objectives and action plan for the expanded BID programme and area • Information on how the BID programme will be implemented, the timeline and expected outcomes • Rating mechanism to be used 	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<ul style="list-style-type: none"> The BID programme targeted rate grant amount supported by a draft income and expenditure budget The map showing the proposed BID programme area and current area if required Any other support information to assist the voter to make an informed decision. <p>The business association may choose a range of approaches to tell their message including but not limited to:</p> <ul style="list-style-type: none"> Brochures or fliers Signs Newsletters Information meetings and presentations Social media and emails. <p><i>Evidence: A summary of the campaign material provided to all eligible voters will need to be included in the business association's project report completed at the end of the BID programme project.</i></p>					
15. Eligible voter engagement	Engaging with all eligible voters is a requirement and it will need to include a range of consultation approaches. The business association will need to develop a communication plan identifying how and when they will consult with the eligible voters on the proposed BID programme.	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<p>A communication plan sets out how and when the business association will deliver their message, coordinate the public meetings and informal presentations.</p> <p>The tools used to communicate the campaign message include but not limited to:</p> <ul style="list-style-type: none"> • Hosting 3 public meetings • Informal information meetings • One on one engagement. <p><i>Evidence: The business association will need to demonstrate they have fully consulted and communicated with each eligible voter. A summary of the communication plan, a record of media exposure, and voter feedback is to be included in the business associations project report completed at the end of the BID programme project.</i></p> <p><i>Examples include:</i></p> <ul style="list-style-type: none"> • Public meeting attendance • Copies of press releases and published news • Voter feedback collected. <p><i>Any other support evidence that shows the association has completed robust consultation.</i></p>					
STOP, REVIEW, CHECK = Go or No Go						
16. Go, no Go	Are you sure you have enough voter support to go to	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
decision	ballot? A failed vote means a 2 year stand down. Do you need to allow more time to consult with the eligible voters? <i>Evidence: A review of feedback, attendance to meetings and support will show clearly if there is sufficient support to achieve a yes vote.</i>					
BID programme ballot pack documents						
17. What needs to be in the BID programme ballot pack	Auckland Council and the independent election agent will review all ballot documents included in the voting envelopes. All material included in the ballot voting mailer must be neutral/impartial and must not lead or instruct the voter on the direction they should vote and all relevant information included . A ballot pack template and further guidance will be provided by Auckland Council BID programme team. The business association is required to develop and produce the relevant BID programme information documents and include the following information in the ballot envelope: a) The proposed BID programme map b) Suggested rating mechanism to be applied to calculate the BID programme target rate c) The BID programme targeted rate grant amount to be levied per annum d) Relevant objectives and goals identified from the strategic and business plan e) A draft income and expenditure budget for	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<p>the next financial year for BID programme targeted rate grant</p> <p>f) Information on the purpose of the ballot proposal</p> <p>g) Business association membership form</p> <p>h) Key contact names of the business association, Auckland Council BID programme team and the independent election agent.</p> <p><i>Evidence: Auckland Council and the independent election agent have final approval of wording.</i></p>					
18. Final eligible voter list	<p>The business association is required to send to the independent election agent the final eligible voter list containing all business information (as per criteria 13) and operating within the proposed BID programme area that are eligible and entitled to vote in the BID programme ballot.</p> <p>Auckland Council is responsible for sending the independent election agent the current and final eligible ratepayer database as per criteria 8.</p> <p>The independent election agent is responsible for sorting and filtering the two databases into the voter database. This process will remove any duplicates and confirm voter qualification. Any discrepancies relating to voter qualification will be resolved by the independent election agent and the outcome communicated to the business association and Auckland Council BID programme team.</p> <p><i>Evidence: Written confirmation from the independent</i></p>	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<p><i>election agent they have processed the eligible voter data into a voting database.</i></p> <p><i>The eligible voter list remains open until the close of voting. Any last minute eligible voters can be added subject to verification by the independent election agent.</i></p>					
19. Mandate	<p>The business association must reach the minimum mandate to validate the BID programme ballot. A valid ballot must achieve a threshold of at least 25% of the total voting forms being returned.</p> <p>Of the total returned voting forms, a minimum of 51% of the votes must be in favour of the proposition raised on the ballot voting form to achieve a mandate.</p> <p><i>Note: failure to meet the mandate requires a minimum two year stand down period, commencing from the ballot date, before the business association can undertake a second ballot.</i></p> <p>Exceptional or unexpected circumstances – it may be that exceptional or unexpected circumstances have influenced the ballot result. This could be due to an earthquake or a major extended business interruption that has impacted on the voting and ballot process.</p> <p><i>Evidence: A copy of the voting report from the independent election agent verifying the returned and counted returned voting papers.</i></p>	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
Final Approval – association membership, local board and governing body						
20. Business association membership approval = AGM/SGM	<p>The business association must obtain as a special resolution formal approval from the membership to establish, disestablish, expand/reduce, amalgamate or change the rating mechanism of a BID programme and area. This approval must be based on the evidence collected during the project, any amendments to the proposal and the ballot result.</p> <p>The special resolution/s approve the following:</p> <ul style="list-style-type: none"> • The BID programme ballot result • The proposed BID programme map • The income and expenditure budget • The rating mechanism and BID programme targeted rate grant amount • The revised business plan and any other support documents • Update of the BID programme agreement (if required) • Update of the business association constitution (if required). <p>The special resolution/s must include two recommendations:</p> <ol style="list-style-type: none"> 1. To the local board to approve the BID programme establishment or change. 2. To the governing body to strike the BID programme targeted rate grant on 1 July. <p><i>Evidence: The business association compile a report on the BID programme project demonstrating that all</i></p>	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<p><i>the criteria outlined in this policy has been completed. The report to include:</i></p> <ul style="list-style-type: none"> • Overview and summary of the BID project • Approach and methodology taken to achieve the outcome • Summary of the evidence of support for the BID programme • Summary of voter feedback and support • Evidence of all formal approval such as AGM/SGM minutes, local board resolutions etc. • Summary and examples of the campaign collateral and communication • The BID programme ballot result • The proposed BID programme map • The income and expenditure budgets. 					
21. Local board presentation	<p>The business association (supported by an Auckland Council officer) presents the proposed BID programme project including a summary of actions taken and results achieved at local board business meeting.</p> <p><i>Evidence: A summary of the BID programme project.</i></p>	✓	✓	✓	✓	✓
22. Local board approval	<p>The Auckland Council BID programme team will produce an officer report to the local board business meeting outlining the completed BID programme and map criteria as per this policy. The report will also make a recommendation to the local board to approve the BID programme and map.</p> <p>The report will include in the appendix the business association BID programme project report containing</p>	✓	✓	✓	✓	✓

Criteria	Description of requirements and criteria to establish, expand, disestablish, amalgamate or undertake a rating mechanism change to a BID programme	BID programme establishment	BID programme Dis-establishment	BID programme expansion/reduction ⁸	BID programme amalgamation	BID programme rating mechanism change
	<p>the evidence including the ballot results, the resolutions and decisions from the business association AGM/SGM meetings.</p> <p><i>Evidence: Auckland Council BID programme team report with recommendations to the local board to approve association's request relating to the BID programme and map, BID programme grant amount and the rating mechanism.</i></p> <p><i>A resolution noted in the local board meeting minutes approving the BID programme and boundary and recommending to the governing body to strike the BID programme targeted rate grant on 1 July.</i></p>					
23. Governing body approval	<p>The governing body will approve the striking of the BID programme targeted rate on 1 July as part of the Annual Plan business meeting for the next financial year.</p> <p><i>Evidence: A resolution noted in the governing body Annual Plan meeting minutes to strike the BID programme targeted rate grant on 1 July.</i></p>	✓	✓	✓	✓	✓

Appendix 3 – Criteria for new BID programme establishment

Criteria	Description of requirements and criteria prior to undertaking a BID programme establishment project
1. Business association or business group	<p>There is an elected governing committee (the board) of the business association or identified group of people proposing the BID programme. It must represent a broad range of business interests within the proposed BID programme area and demonstrate a genuine commitment to its respective business community over and above vested interests.</p> <p><i>Evidence: a list of the names of the people in the group, their contact details and professional roles.</i></p>
2. Legal entity	<p>There is a legal entity established or operating under the Incorporated Societies Act 1908 for filing all requirements of its Rules of the Society and to administer the new BID programme, in particular with the purpose of running a voluntary business association.</p> <p><i>Evidence: the following documents need to be provided:</i></p> <ul style="list-style-type: none"> • <i>The certificate of incorporation and founding documents.</i> • <i>The meeting minutes of the business association for the previous 12 months.</i> • <i>The previous AGM minutes and financial statements.</i>
3. Business association annual business plan	<p>The legal entity has a current annual business or action plan in place.</p> <p><i>Evidence: the business or action plan needs to be provided.</i></p> <p><i>It is assumed from this point there is a registered business association representing the proposed BID programme area. That the business association governing body (board or committee) will manage and complete the remaining criteria.</i></p>
4. Business and BID programme champion	<p>There is a business leader or leaders involved with the business association with a wide network of contacts and a high level of regard and mana within the local business community, who is prepared to demonstrate leadership in supporting the business association in the establishment of the BID programme.</p> <p><i>Evidence: there is a leadership role identified as part of the governance structure of the business association.</i></p>

Criteria	Description of requirements and criteria prior to undertaking a BID programme establishment project
5. Register of members	<p>There is a register of financial business members paying an annual subscription/fee to the business association.</p> <p><i>Evidence: the current business association register.</i></p>
6. Business engagement	<p>The business association has engaged with the local business community to seek collaborative support for economic development and local improvement opportunities that would benefit the business area and the individual business and property owners.</p> <p><i>Evidence: 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 specific business area.</i></p>
6.1 BID programme fact-finding survey project (optional)	<p>In some cases it may be necessary to undertake a broader or more formal fact-finding survey in order to identify the issues and opportunities within a business area. This may be beyond the financial capacity of the business association which may then approach the local board requesting a grant to undertake such a project in order to use the result to complete the BID programme establishment criteria set out in 7 below.</p> <p><i>Evidence: the fact-finding survey including the process undertaken, the people involved and a report containing the findings, feedback and conclusions to be considered.</i></p>
7. Galvanising issues or opportunities identified	<p>There is an expectation that from the work completed in 6 and 6.1 there is a particular galvanising issue/s or opportunity/ies affecting business occupiers or commercial property owners in the proposed BID programme area that makes it appropriate and desirable to establish a BID programme.</p> <p><i>Evidence: a brief overview and explanation of the key issues or opportunities identified in a summary document.</i></p>
8. Proposed draft BID programme boundary map	<p>The suggested boundaries of the proposed BID programme area are defined on a map.</p> <p><i>Evidence: a map with the proposed boundary lines clearly marked on it.</i></p>
9. Draft BID programme map	<p>Auckland Council BID programme team will request a GIS map of the BID programme boundary provided by the business association and request the matching property ratepayer information data.</p> <p>Auckland Council BID programme team will provide the information on the business ratepayers located within the proposed BID programme boundary area created by the GIS Team, see criteria 8.</p>

Criteria	Description of requirements and criteria prior to undertaking a BID programme establishment project
	<i>Evidence: a draft map of the proposed BID programme area.</i>
10. BID programme targeted rate modelling	<p>Auckland Council BID programme team will provide a BID programme targeted rate modelling spreadsheet in order to decide on which rating mechanism is best suited for the area, and work out what impact the proposed amount of the BID programme targeted rate will have on individual ratepayers.</p> <p><i>Evidence: BID rating modelling database including the BID ratepayer data for inclusion into the eligible voter list.</i></p>
11. Draft two-year business plan for the initial phase of the BID programme	<p>The information collected from the business engagement (criteria 6 and/or 6.1) and the business association's business plan is brought together into a draft two-year business plan. This business plan will identify the key issues and opportunities, goals or objectives, and an action plan for the proposed BID programme. The business plan will also include information on how it will be implemented, the timeline and expected outcomes.</p> <p><i>Evidence: the business association's draft two-year business plan.</i></p>
12. Draft two-year operating budget	<p>The business association board has an indicative, high-level budget setting out the draft income from the BID programme targeted rate grant and expenditure against the costs for implementing the two- year business plan (criteria no. 7). The minimum annual BID programme targeted rate grant is \$120,000.</p> <p><i>Evidence: the indicative budget.</i></p>
13. BID establishment project plan and timeline	<p>The business association board has ensured the project fits within the Auckland Council reporting requirements. Identify the ballot period and when (if successful) the BID programme targeted rate will be set.</p> <p>Note: the local board must approve the proposed BID programme map before it can be included in the local board annual plan consultation. This can vary each year and the business association will need to confirm timelines with the BID programme team.</p> <p><i>Evidence: the BID programme project plan and timeline including reporting deadlines.</i></p>
14. Business association membership	<p>The proposed BID programme project has been presented as a special resolution to the membership at an AGM/SGM including the proposed BID programme map, BID programme rating mechanism, BID programme grant and budget, and any other support documents.</p>

Criteria	Description of requirements and criteria prior to undertaking a BID programme establishment project
approval	<p><i>Evidence: the AGM agenda, presented documents and meeting minutes including the resolution supporting the proposed BID programme map and project going ahead.</i></p>
15. Initial discussions with Auckland Council BID programme team and the local board	<p>Discussion 1: The business association board meet with the Auckland Council BID programme team to discuss the proposed BID programme project.</p> <p>Discussion 2: Auckland Council BID programme team will arrange a meeting with the local board to present the proposal. This meeting may take the form of a local board workshop presentation or a meeting with the local board economic development portfolio holders.</p> <p><i>Evidence: an invitation to present the proposal at a local board business meeting.</i></p>
16. Local board approval	<p>The business association (supported by an Auckland Council officer report) presents the proposed BID programme map and project to a local board business meeting for inclusion into the local board annual plan consultation.</p> <p>The Auckland Council BID programme team will present a report to a local board business meeting outlining the proposed BID programme project and seeking local board approval. The report will also include the proposed BID programme boundary map.</p> <p><i>Evidence: A business association presentation to the local board outlining the proposed BID programme establishment project.</i></p> <p><i>A resolution in the local board meeting minutes approving the proposed BID programme map and support for the project.</i></p>

Appendix 4 – Annual Accountability Agreement – *template only*



Add business association logo

The signing of the Annual Accountability Agreement by the chair of the business association board is a requirement of the BID Policy (2016). 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 achieved by ticking AND attaching evidence of completion of each action</i>	Completed
1. Incorporated Societies Act 1908 – all requirements as per the Act and your business association constitution have been completed (note: this is an ongoing annual requirement for all incorporated societies) includes: <ul style="list-style-type: none">• Financial statements filed• Annual General Meeting undertaken.	
2. All information required by Auckland Council as per the BID Policy (2016) has been forwarded to bids@aucklandcouncil.govt.nz on <i>(insert date)</i>	

<p>This should include:</p> <ul style="list-style-type: none"> a) the audited accounts b) the proposed budget for the upcoming year c) report reviewing actions in annual business plan (by chair or manager) d) annual plan for upcoming financial year e) strategic plan (if not already with council). 	
<p>3. Current public liability and indemnity insurances are in place (<i>attach a copy of the insurance certificates</i>).</p>	
<p>4. Confirmation by the chair that appropriate governance and induction training has been provided to all newly elected board members.</p>	
<p>5. Confirmation by the chair that there is a current signed Auckland Council BID programme agreement between the business association and Auckland Council that will be in place until the date of the next AGM.</p>	
<p>6. Confirmation by the manager of the processes taken to ensure the membership database is as up-to-date as possible.</p>	
<p>7. Confirmation by the chair that a board charter is operative and signed by all board members for the current term</p>	

8. Confirmation that the business association board has had the annual reporting and alignment discussion with the local board(s).

Please outline outcome of this discussion:

-

I hereby confirm on behalf of _____

Business Association that the above requirements have been completed as required and set out in the BID Policy (2016), the Incorporated Societies Act (1908) and the association's constitutional rules.

Chair's name:

Signed:

Dated:

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

Steps	Problem	Issue	Serious Concern
Who's involved	Business association	Involves parties other than the business association and includes: Auckland Council BID programme team Local board	Includes parties other than the business association and includes: Auckland Council BID programme team Local board
Define if the problem, issue or serious concern affects:	Business association Or Auckland Council BID Programme (region)	Business association Or Auckland Council BID Programme (region)	Business association Or Auckland Council BID Programme (region) and; is an unacceptable risk to the individual BID programme or Auckland Council BID Programme (region) and requires additional resources
Decision-making	Business association 1. Refer to constitution 2. Refer to board charter 3. Refer to this policy 4. Refer to Auckland Council BID programme team.	Business association 1. Refer to constitution 2. Refer to board charter 3. Refer to this policy 4. Refer to Auckland Council BID programme team. Auckland Council BID programme team • Refer to this policy • LGOIMA (if relevant) • Refer to local board	Business association 1. Refer to constitution 2. Refer to board charter 3. Refer to this policy 4. Refer to Auckland Council BID programme team. Auckland Council BID programme team • Refer to this policy • LGOIMA (if relevant) Local board • Refer to this policy • Refer to Auckland Council BID Team

Steps	Problem	Issue	Serious Concern
			Risk management of the: <ul style="list-style-type: none"> • BID programme • BID programme targeted ratepayers • BID programme targeted rate grant • Other Local Board funded BID projects • Auckland Council BID Programme (region)
Who pays to resolve the problem, dispute or issue?	Business association <ul style="list-style-type: none"> • Budget allocation/hours 	Business association <ul style="list-style-type: none"> • Budget allocation/hours Auckland Council BID programme team <ul style="list-style-type: none"> • Budget allocation/hours 	Business association <ul style="list-style-type: none"> • Budget allocation/hours Auckland Council BID programme team <ul style="list-style-type: none"> • Budget allocation/hours • Chargeable cost recovery Local board <ul style="list-style-type: none"> • Budget allocation/hours • Chargeable cost recovery • Additional resourcing may be required
Communication options include:	Business association advises: <ul style="list-style-type: none"> • BA board • Auckland Council BID programme team 	Business association advises: <ul style="list-style-type: none"> • BA board • Auckland Council BID programme team Auckland Council BID programme team advises/responds as required: <ul style="list-style-type: none"> • Local board (if relevant) • BA board • LGOIMA (if relevant) 	Business association advises: <ul style="list-style-type: none"> • BA board • Auckland Council BID programme team • Local board • BA membership via SGM (if relevant). Auckland Council BID programme team reports to: <ul style="list-style-type: none"> • Local board • Auckland Council departments as appropriate • LGOIMA (if relevant)

Steps	Problem	Issue	Serious Concern
Actions	<p>Business association</p> <ol style="list-style-type: none"> 1. Refer to constitution 2. Refer to board charter 3. Refer to this policy 4. Refer to Auckland Council BID website or support documents 5. Seek specialist advice 6. <i>Mediation process – see section 6.2.</i> <p>Auckland Council BID programme team</p> <ul style="list-style-type: none"> • Monitor and record progress 	<p>Business association</p> <ol style="list-style-type: none"> 1. Refer to constitution 2. Refer to board charter 3. Refer to this policy 4. Refer to Auckland Council BID programme website for support documents 5. Inform Auckland Council BID programme team 6. Arrange urgent board meeting with Auckland Council BID programme team 7. Seek specialist advice 8. <i>Mediation process – see section 6.2</i> 9. <i>Regular reporting to the BID programme team</i> <p>Auckland Council BID programme team</p> <ul style="list-style-type: none"> • Discuss with the local board (if appropriate) • Guide BA board on actions • Signpost to advisors • Monitor and record progress 	<p>Business association</p> <ol style="list-style-type: none"> 1. Refer to constitution 2. Refer to board charter 3. Refer to this policy 4. Refer to Auckland Council BID website for support documents 5. Inform Auckland Council BID programme team 6. Arrange urgent board meeting with Auckland Council BID programme team 7. Seek specialist advice 8. <i>Mediation process – see section 6.2</i> 9. <i>Regular reporting to the BID programme team</i> <p>Auckland Council BID programme team</p> <ul style="list-style-type: none"> • Arrange urgent meeting with local board • Seek specialist advice • Monitor and record • <i>Regular reporting to local board and BA board on situation and progress</i> • Make recommendations to the local board
Expected Outcome	<p>Business association</p> <ul style="list-style-type: none"> • Processes: <ul style="list-style-type: none"> ○ Developed, ○ Implemented or ○ Improved • Inform Auckland Council BID programme team of resolution <p>Auckland Council BID programme Team</p> <ul style="list-style-type: none"> • Capture and record outcome 	<p>Business association</p> <ul style="list-style-type: none"> • Concern resolved • Processes: <ul style="list-style-type: none"> ○ Developed, ○ Implemented or ○ Improved <p>Auckland Council BID programme team</p> <ul style="list-style-type: none"> • Capture and record progress and outcome. 	<p>Serious concern resolved:</p> <p>Business association</p> <ul style="list-style-type: none"> • Processes: <ul style="list-style-type: none"> ○ Developed, ○ Implemented or ○ Improved <p>Auckland Council BID programme team</p> <ul style="list-style-type: none"> ○ If serious concern is not resolved – advising the local

Steps	Problem	Issue	Serious Concern
			board to either: <ul style="list-style-type: none"> ○ <i>Withhold BID programme grant</i> ○ <i>Return the BID programme and BID programme grant to Auckland Council for interim management</i> ○ <i>Request BID programme ballot to review continued support/disestablishment of the BID programme</i> ○ <i>Capture and record progress and outcome.</i> ○ <i>BID programme and grant management is returned to the business association</i>
Further action required	Problem, dispute or issue remains unresolved and moves to a concern	Concern remains unresolved and moves to a serious concern	As per the decision options above
<i>Italic – actions considered on a case-by- case basis</i>			
<i>LGOIMA – Local Government Official Information and Meeting Act 1987- visit</i> http://www.aucklandcouncil.govt.nz/EN/ContactUs/official_information_responses/Pages/home.aspx			

Appendix 6: Strategies that relate to the Auckland BID Programme

Key Auckland Council plans, strategies and policies include:

- The Auckland Plan
- Auckland’s Economic Development Strategy (EDS) – Key EDS action relating to BIDs (1.3.5):
 - Deliver the Auckland Business Improvement District (BID) programme by engaging in activities (either jointly or separately) that enhance business improvement outcomes at a local level.
- Auckland Council’s Māori Responsiveness Framework - particularly the “Enable Māori outcomes” driver, which articulates the council’s role in enabling better outcomes with and for Māori for the benefit of all Aucklanders.
- Local board plans and local economic development (ED) action plans (where adopted)

The table below provides further detail relating to the above plans, policies and strategies, as well as other relevant documents.

Auckland Plan	Economic Development Strategy (EDS)	Local board plans	Other plans
<ul style="list-style-type: none"> • Mayor’s Vision: the world’s most liveable city • Moving to a quality compact city • Auckland Plan outcome of a Māori identity - Auckland’s point of difference • Auckland Plan transformational shift of significantly lifting social and economic outcomes for Māori 	<p>Sets out how Auckland can improve its economic performance and become more globally competitive. The vision is to create an internationally competitive and prosperous economy for all Aucklanders through a step change in exports and internationalisation.</p> <p>Key priorities:</p> <ul style="list-style-type: none"> • grow a business-friendly 	<p>Local boards are required to develop a local board plan every three years. Local board plans are strategic documents, which reflect the priorities and preferences of the community. These are guiding documents for the local boards.</p> <p>A significant number of local boards have programmes relating to thriving town centres and/or a healthy local economy</p>	<p>Place-specific plans</p> <p>Place-specific plans relate to individual local board areas or at the town centre and precinct level across Auckland.</p> <p>They include:</p> <ul style="list-style-type: none"> • Area plans - help implement the directions and outcomes of the Auckland Plan locally - reflecting local aspirations • Precinct and master plans - presents Auckland Council’s aspirations and visions for a particular town centre or precinct.

Auckland Plan	Economic Development Strategy (EDS)	Local board plans	Other plans
<ul style="list-style-type: none"> Identifies a hierarchy of key centres – starting with the international city centre, city-fringe centres e.g. Ponsonby, Devonport and Parnell; Metropolitan Centres e.g. Takapuna, Henderson and Manukau central; town centres e.g. Birkenhead and Manurewa; local centres e.g. Mission Bay, Albany Village, Kingsland and satellite towns e.g. Warkworth and Pukekohe. Recognises key geographical areas for change – most changes in city centre and metropolitan centres and two major place-based initiatives (city centre and The Southern Initiative). Directive 6.3 (Economy chapter) – protect, enhance and improve business-zoned areas and business improvement districts. Outlines EDS priorities. 	<p>and well-functioning city</p> <ul style="list-style-type: none"> develop an innovation hub of the Asia-Pacific rim be internationally connected and export-driven enhance investment in people to grow skills and a local workforce develop a creative, vibrant international city Cross-cutting themes, including (iwi/Māori economic powerhouse). <p>Key action relating to BIDs (1.3.5):</p> <ul style="list-style-type: none"> Deliver the Auckland Business Improvement District (BID) programme by engaging in activities (either jointly or separately) that enhance business improvement outcomes at a local level. 	<p>and are aligned to the key objectives of the Auckland BID Programme.</p> <p>Local economic development (ED) action plans</p> <p>Some local boards have adopted local ED action plans. These plans create a framework to guide local economic development actions for specific local board areas for 3-5 and up to 10 years.</p> <p>Visit www.aucklandcouncil.govt.nz to view individual local board plans and local economic development action plans.</p>	<p>ATEED’s strategies – have direct and indirect alignment with the BID programme, including:</p> <ul style="list-style-type: none"> <i>Visitor strategy</i> – increase value of visitor economy from \$3.3 billion in 2010 to \$7.2 billion in 2021 (revised target) <i>Major Events Strategy</i> – sets a strategic framework to develop Auckland as a global events destination <i>Business Growth & Competitiveness Framework</i> – implementation of EDS to meet business growth targets. <p>Regional Land Transport Plan (RLTP) 2015</p> <p>Outlines how transport delivery agencies intend to respond to growth and other challenges facing Auckland over the next 10 years. It includes a 10-year prioritised delivery programme of transport services and activities for Auckland, combining the transport programmes of the NZ Transport Agency, Auckland Transport (AT) and KiwiRail.</p> <p>Proposed Auckland Unitary Plan (PAUP)</p> <p>The Proposed Auckland Unitary Plan (PAUP) is the next step in bringing Auckland’s land-use planning together.</p> <p>Replacing the existing Regional Policy Statement and 13 district and regional plans, the Unitary Plan will determine:</p> <ul style="list-style-type: none"> what can be built and where how to create a higher quality and more compact Auckland how to provide for rural activities how to maintain the marine environment.

Glossary

Abbreviation/term	Description
Alignment	Desirable coordination of activities – in the case of this policy this relates to coordination of BID programme plans, strategies and, ultimately, activities to deliver the plans of local boards in particular.
Annual Plan and long term plan (LTP)	<p>The Annual Plan is the council's annual budget.</p> <p>Each year Auckland Council is required to have a plan in place that outlines its:</p> <ul style="list-style-type: none"> • prioritised activities and projects • intended service levels • funding information • financial policies for the coming year. <p>A long-term plan is produced every three years. This sets out the direction, priorities and funding for the following ten years.</p> <p>An annual plan is then produced for each year in between long-term plans. This provides an opportunity to refresh the information for the coming year and consult with the community on any changes that are proposed.</p>
AT	Auckland Transport – CCO - responsible for transportation across Auckland, includes roads (not state highways), footpaths, cycleways, lighting and public transport.
ATEED	Auckland Tourism Events and Economic Development (ATEED – Council Controlled Organisation - CCO). ATEED's mission is to improve New Zealand's economic prosperity by leading the successful transformation of the Auckland economy.
Auckland BID Programme	The entire regional programme – at the time of writing this policy, it consisted of 48 individual BID programmes.
Auckland Council organisation	The Auckland Council organisation is led by the chief executive. It is comprised of council employees who provide advice to the local boards and governing body, and carry out their decisions.
BID programme affiliates (or member)	This is the membership of the BID programme - includes all commercial property ratepayers and business occupiers who qualify as BID programme eligible voters and pay the BID programme targeted rate (either directly or indirectly).
BID programme ballot	<p>Confidential voting based on democratic principles outlined in this policy to provide a mandate for BID programme processes, including:</p> <ol style="list-style-type: none"> 1. A BID programme establishment 2. A BID programme disestablishment

Abbreviation/term	Description
	<ol style="list-style-type: none"> 3. A BID boundary expansion 4. A BID boundary reduction 5. A BID programme and boundary amalgamation 6. A BID programme rating mechanism change.
BID Policy (2016)	This policy establishes the roles, rules and responsibilities of the Auckland BID Programme.
BID programme	An agreement between Auckland Council and a business association to work together on shared goals – focussed on creating opportunities for business improvement and local economic development – it’s not a legal entity.
BID programme agreement	This is a mandatory document which establishes the partnership between business associations and Auckland Council. It provides the link between individual BID programmes and this policy. It enables alignment, governance and accountability for both partners over the agreed lifespan.
BID programme boundary maps	BID programmes operate within a clearly defined geographic boundary. All business-rated properties within this boundary will be charged the BID programme targeted rate.
BID programme manager, contractor or agent	The practical day-to-day management of the business association operating 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 per the strategic and business plans, and other board direction.
BID programme member (affiliates)	See affiliates above.
Board Charter	A document which sets out the authority, responsibility, policy, processes and operation of the board of a business association.
Business Association	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.
CCO	Council controlled organisation – in Auckland this includes larger/substantive entities, such as AT (Auckland Transport), Watercare and ATEED (Auckland Tourism Events and Economic Development) but also smaller CCOs that can also operate not-for-profit trusts, such as COMET Auckland.
Chair	The person who leads the business association board.
Conflicts of interest	A situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest or public interest. In terms of BID programmes, there are a number of conflict of interest situations that could arise (either real or perceived) that, if not addressed, have the potential to become a serious concern.
Deficit	Where fewer targeted rates have been collected than budgeted this is referred to as a deficit.
Dispute	Where there are disagreements or arguments between parties defined in this policy, third party assistance may be necessary to broker a solution

Abbreviation/term	Description
	using a mediation process. A mediation process allows the parties to concentrate on the problem or issue and allow a mediator to facilitate the discussions to assist the parties to reach an agreement.
Economic Development Strategy (EDS)	An Auckland Council strategy that sets out how Auckland can improve its economic performance and become more globally competitive. The vision is to create an internationally competitive and prosperous economy for all Aucklanders through a step change in exports and internationalisation.
Eligible voter	Includes both business ratepayers and businesses who occupy business-rated premises within the BID programme area and that meet the eligibility criteria outlined in this policy. Eligible voters are able to vote in BID programme ballots.
Eligible voter list	Draft list of eligible voters – the independent election agent has the final say on eligibility that forms the final list.
Governance	The act of governing of an organisation. For BID programmes it entails setting the strategic direction and the development of defining documents (for example, strategic and annual plans), the ability to devolve powers (for example, to a manager) and the responsibility for verifying performance.
Governing body	Part of Auckland Council governance - consists of the mayor, elected by all Auckland voters, and 20 governing body members (councillors) elected by voters from the ward they represent. The governing body focuses on the big picture and on region-wide strategic decisions. This includes the development of regional strategies and plans, responsibility for CCOs, setting rates and regional policies and bylaws, including this policy.
Independent advice	Advice which is unbiased and unrestricted, and based on a comprehensive and fair analysis of the relevant situation and facts.
Independent Māori Statutory Board	<p>The role of the Independent Māori Statutory Board (IMSB) is to ensure there is a voice for Māori in the governance of Auckland, and to assist the council with making informed decisions and meeting its statutory obligations in relation to the Treaty of Waitangi.</p> <p>The IMSB is independent of Auckland Council.</p>
Key Performance indicator (KPI)	KPIs evaluate the success of an organisation or of a particular activity in which it engages. KPIs must form part of a business association's annual and strategic planning documents. The achievement of these, and the reporting against them, should be key deliverables of a BID programme.
Local boards	Part of Auckland Council governance – each of the 21 local boards has between five and nine members, elected by voters from the area they represent. Local boards represent the communities in their area and make decisions on local issues, activities and facilities. They support local groups and provide local advocacy. Local boards have allocated decision-making responsibilities and the primary relationship for BID programmes in their area.
Long-term Plan	See Annual Plan.
Management	The practice of using available resources (including time, funds, skills) to deliver the BID programme as outlined in a strategic or annual plan in the most efficient and effective way.
Management delegation	This is the assignment of responsibility or authority to another person to carry out specific activities. Delegation is about entrusting someone else to undertake your tasks. It is often necessary to delegate in order to achieve effective results and is one of the core concepts of leadership.

Abbreviation/term	Description
Mandate	Demonstrating that the democratic process indicates a show of support for the proposition put before all eligible voters.
Membership of the business association	Includes a person who owns one or more commercially rated properties within the BID programme targeted rate area or occupies one or more commercially rated properties.
Proposed Auckland Unitary Plan (PAUP)	PAUP will bring Auckland's land-use planning together and will replace the existing Regional Policy Statement and 13 district and regional plans once adopted by Auckland Council.
RFA	Regional Facilities Auckland – CCO – RFA provides a regional approach to running and developing Auckland's arts, culture and heritage, leisure, sport and entertainment venues. RFA manages major regional facilities in Auckland, including the Auckland Art Gallery, Auckland Council's interest in Vector Arena, Auckland Zoo, Mt Smart Stadium, Bruce Mason Centre, QBE Stadium, The Edge/Aotea Centre/Town Hall/Civic, Viaduct Events Centre and Western Springs Stadium.
Serious concern	For the purposes of this policy, a serious concern is a problem or issue has not been able to be resolved and where intervention by Auckland Council may be required.
SHA	Special Housing Area – fast-track development of housing, including affordable housing.
Surplus	Where more targeted rates have been collected than budgeted.
Targeted rate	A targeted rate funds a specific council activity or group of activities, rather than general council services. The council can choose to apply a targeted rate to ratepayers it identifies as benefiting from a specific service, such as the business improvement district targeted rate.
The Auckland Plan	The Auckland Plan provides the city's long-term blueprint for how the region will reach its potential.

BID Policy (2016) – Part 2 – Policy Operating Standards