

## Business Improvement District (BID) Policy (2021)

### (Kaupapa Hereā-Rohe Whakapiki Pakihi).

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- Attachment B: [BID Funding Agreement \[draft\] \(PDF, 1.90 MB\)](#)
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##### 5. Other support material - can be found on <https://bid.aucklandcouncil.govt.nz/>

- BID-operating business association constitution (template 2021)
- BID-operating executive committee board charter (template 2021)
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- Template documents including:
  - AGM agenda
  - AGM minutes
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Abbreviation/Definitions	Description
<b>Alignment</b>	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.
<b>Annual Budget and long-term plan (LTP)</b>	<p>Each year Auckland Council is required to have a document in place that outlines its:</p> <ul style="list-style-type: none"> <li>• prioritised activities and projects</li> <li>• intended service levels</li> <li>• funding information</li> <li>• financial policies for the coming year.</li> </ul> <p>A long-term plan is reviewed every three years. This sets out the direction, priorities, and funding for the following ten years.</p> <p>An annual budget 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>
<b>AT</b>	Auckland Transport – Council Controlled Organisation (CCO) - responsible for transportation across Auckland, includes roads (not state highways), footpaths, cycleways, lighting and public transport.
<b>AU</b>	Auckland Unlimited – Council Controlled Organisation – (CCO). AU’s mission is to improve New Zealand’s economic prosperity by leading the successful transformation of the Auckland economy.
<b>Auckland BID Programme</b>	The entire Auckland regional Business Improvement District (BID) programme.
<b>Auckland Council</b>	The unitary authority established under the Local Government (Auckland Council) Act 2009. 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.
<b>BID</b>	Business Improvement District (BID) programme offered by Auckland Council. A BID programme operates over a defined area over which council will strike a BID Targeted Rate to collect the BID targeted rate grant.
<b>BID Policy (2021)</b>	This policy establishes the governance, accountability, roles, rules, responsibilities, and reporting for the Auckland BID Programme.
<b>BID programme affiliates (or BID member)</b>	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).
<b>BID programme ballot</b>	<p>The process where eligible voters cast their vote in a ballot to determine whether a BID programme and boundary area should be established, amended, or the rating mechanism changes, and any other key issues, see section 3.4 of this Policy.</p> <p>The confidential voting is based on democratic principles outlined in this policy to provide a mandate for BID programme processes, including:</p> <ol style="list-style-type: none"> <li>1. A BID programme establishment/discontinuation</li> <li>2. Amending an existing BID boundary</li> <li>3. A BID programme rating mechanism change.</li> </ol>
<b>BID programme boundary maps</b>	BID programmes operate within a clearly defined geographic boundary. All business-rated properties within this boundary will be charged the BID programme targeted rate.
<b>BID programme manager, contractor, or agent</b>	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.
<b>BID programme Funding Agreement</b>	See section 4.2
<b>BID-operating business association</b>	Independent registered membership-based organisation responsible for the governance, management and operation of the local BID programme. Business associations are governed by the Incorporated Societies Act 1908 and future updates.
<b>Board Charter</b>	A document which sets out the authority, responsibility, policy, processes, and operation of the BID-operating business association executive committee.

<b>CCO</b>	Council Controlled Organisation – in Auckland this includes larger/substantive entities, such as AT (Auckland Transport), Watercare and AU (Auckland Unlimited) but also smaller CCOs that can also operate not-for-profit trusts, such as COMET Auckland.
<b>Chair</b>	The person who is elected by the business association membership to chair the executive committee and lead the BID programme.
<b>Conflicts of interest</b>	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.
<b>Council</b>	Auckland Council
<b>Deficit</b>	Where less targeted rates have been collected than budgeted, this is referred to as a deficit.
<b>Eligible voter</b>	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 can vote in BID programme ballots.
<b>Eligible voter list</b>	List of eligible voters – the independent polling agent has the final say on eligibility that forms the final list.
<b>Executive Committee</b>	A committee established under the association's constitution (rules), which has the authority to make decisions regarding the governance, development, delivery, accountability and reporting on BID programme and ensure that these decisions are carried out.
<b>Governance</b>	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.
<b>Governing Body</b>	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.
<b>Issue</b>	For the purposes of this policy, an issue is defined when the BID-operating business association is not compliant with the Auckland Council BID Policy 2021. See section 3.5.
<b>Local boards</b>	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. Local Boards have specific delegated authority for decision making in some aspects of this policy.
<b>Long-term Plan</b>	See Annual Plan.
<b>Management</b>	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.
<b>Management delegation</b>	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 to achieve effective results and is one of the core concepts of leadership.
<b>Mandate</b>	Demonstrating that the democratic process indicates a show of support for the proposition put before all eligible voters.
<b>Membership of the business association</b>	Includes an entity or person who owns or occupies one or more business rated properties within the BID programme targeted rate area or occupies one or more commercially rated properties.
<b>Auckland Unitary Plan (AUP)</b>	AUP guides the use of Auckland's natural and physical resources, including land development. Visit <a href="https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/unitary-plan/Pages/default.aspx">https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/unitary-plan/Pages/default.aspx</a>
<b>Returning Officer</b>	A person from an independent polling agent.
<b>Strategic Plan</b>	A set of strategic activities, approved by the BID-operating business association executive committee and association membership, which are planned over a period of three to five years, and set out the strategic direction of the BID programme and local business community.

<b>Surplus</b>	Where more targeted rates have been collected than budgeted.
<b>Targeted rate</b>	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.
<b>The Auckland Plan</b>	The Auckland Plan provides the city's long-term blueprint for how the region will reach its potential.
<b>Proposed BID programme project</b>	Proposal to establish, amend a boundary, discontinue, or change the rating mechanism for a BID programme.
<b>Special resolution</b>	Is for important decisions affecting/changing the constitution or is to decide on a major transaction affecting the organisation.

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## Section One: Introduction

### **1.1 Business Improvement District (BID) Policy - (Kaupapa Hereā-Rohe Whakapiki Pakihi)**

Auckland Council’s regional BID programme is an approach focused on local business areas developing a suite of economic development activities that support and benefit the members of the BID programme. Local BID programmes provide value to the collective local business community.

BID programmes are inclusive and focus on the collective good rather than individual benefit.

This policy sets the framework for the governance, accountability, reporting and operational management of BID programmes.

This policy replaces the Business Improvement District Policy (2016) and all previous supporting documents.

The BID Policy (2021) focuses on defining the minimum requirements for a BID programme (governance, accountability, and reporting) and maximising the flexibility for BID-operating business associations operation at a local level.

This approach means business associations can amend their constitution and/or board charter to suit their local needs. At all times the constitution and board charter must not be inconsistent with the BID policy.

The policy describes the balance between the independence of the BID-operating business association and the accountability role council has for monies collected as a public sector organisation. This balance is necessary to sustain public trust and confidence with the Auckland Council BID programme.

### **1.2. Value of a BID programme to Auckland Council**

The Auckland Council BID programme provides a mechanism for council (including its local boards), Council Controlled Organisations (CCOs), and other stakeholders to:

- Engage, communicate, and form relationships with a collective of businesses
- Identify opportunities for business to engage and work with their community
- Identify and respond to future growth in town and business centres
- Assist with achieving goals that benefit the local business community
- Encourage collaboration to achieve greater local outcomes
- Provide opportunities that contribute to community values and wellbeing
- Ensure sustainable base funding via the collection of the BID targeted rate

### **1.3. Success factors of an Auckland Council BID programme**

Tāmaki Makaurau continues to grow. This projected growth will present challenges and opportunities for Tāmaki Makaurau town centres, local business communities and business areas.

A BID programme, managed by an incorporated business association, provides a mechanism for businesses to come together, to develop, to invest, and deliver a local BID programme with the goal of increasing prosperity and opportunities for BID programme members and the local business community.

#### **BID programmes – four success factors**

- a) **Effective governance** – The BID-operating business association is responsible for:

- Setting the strategic direction of the BID programme (working closely with the local board)
  - Accountability reporting of the BID programme
  - Ensuring that the management of the BID programme is effective.
- b) **Effective management** – BID programme management is responsible for ensuring the delivery of the business association’s strategic and business plans.
- c) **Sufficient size with resources** - to achieve the BID programme’s goals and objectives.
- d) **Effective relationships** – working with stakeholders to achieve goals and objectives. These may include council, local boards, CCO’s and other business associations.

The BID programme is made available to registered business associations (under the Incorporated Societies Act 1908) that have satisfied BID programme establishment processes and gained approval from the relevant local board(s) and Auckland Council Governing Body. See section 3 BID programme operating requirements.

The BID programme is funded by commercial (business rated) property owners paying a BID target rate annually. 100 per cent of the targeted rate collected is provided to the BID-operating business association and paid in the form of a BID targeted rate grant.

The BID-operating business association is responsible for ensuring the BID programme delivery and success.

In recognition of the BID-operating business association’s independent status, the BID Policy does not prescribe standards for local BID programme effectiveness. That is a matter for business association members/BID affiliates to determine.

**Requirement 1: Auckland Council requires BID-operating business associations to fully comply with the Business Improvement District (BID) Policy (2021) (Kaupapa Hereā-Rohe Whakapiki Pakihi).**

**Requirement 2: BID programmes should aim to develop strategic economic activities that support and benefit their BID affiliates and provide value to the collective business community. The BID programme plans should focus on delivering clear economic benefits and outcomes.**

For more information on Auckland BID programmes visit <https://bid.aucklandcouncil.govt.nz/>

## 1.4. Size and scale of BID programmes

**Requirement 3: BID programmes must operate at a size (geographical) and scale (target rate collected amount) to ensure long-term independent financial sustainability.**

The annual BID targeted rate grant is considered baseline funding.

The minimum annual amount of base line funding collected by the BID targeted rate is set at \$120,000. A detailed income and expenditure budget template can be found on <https://bid.aucklandcouncil.govt.nz/> <https://bid.aucklandcouncil.govt.nz/>

BID-operating business associations established before 2010, operating with less than an annual \$120,000 targeted rate grant, will be required by 2028 -2029 financial year to be collecting \$120,000 or more annually.

Options to achieve this include:

- Increasing, the annual BID targeted rate grant amount to \$120,000
- Undertake a BID expansion project/s to increase the BID boundary area. The expansion will increase the number of BID members (affiliates) contributing via the BID targeted rate grant to the required \$120,000
- Review, and amend, the BID targeted rate mechanism.
- Work with other BID-operating business associations to:
  - Identify, and formalise an alliance, to deliver a combined BID programme and targeted rate of more than \$120,000
  - Merge together BID-operating business associations under one governance structure/collective management to deliver a combined BID programme and combined targeted rate of more than \$120,000

*Note: not all BID-operating business associations in this space will be ready or able to consider these requirements in the immediate future. Any proposal will be dependent on BID-operating business association member approval and/or formal agreement between the parties involved. The Auckland Council BID Team will facilitate and provide guidance to the associations and local boards on a case-by-case basis.*

### **1.5. BID programmes are operated by registered incorporated business associations**

BID-operating business associations are membership-based organisations independent of Auckland Council. They are responsible for the BID programme delivery and success and are accountable to BID members/BID affiliates.

BIDs are always business associations, but not all business associations are BIDs.

**Requirement 4: BID-operating business associations are expected to be financially sustainable. They are required to have additional revenue streams to fund their obligations and responsibilities. They must not rely on additional council funding to financially support the organisations administration costs and overheads.**

**Requirement 5: The BID-operating business association must ensure the association’s constitution is not inconsistent with the BID Policy 2021 and support documents.**

**Requirement 6: BID-operating business associations need to review, and amend if required, their current constitutions in time to present for member approval at their 2022 AGM.**

## Section Two: BID programme stakeholders' roles and responsibilities

There is a range of stakeholders involved in the BID programme including:

- BID programme affiliates/BID eligible voters – that pay the BID targeted rate directly (ratepayer/property owner) and indirectly (business owner/tenant) – see section 2.1
- The BID operating business association – see section 2.2
- Business Association executive committee – association members elected to serve on the committee - see section 2.3
- Business association member registration – see section 2.4
- Local boards – including multiple boards if the BID programme area covers more than one local board area, and the local board BID representative - see section 2.5
- Governing Body – see section 2.6
- Auckland Council departments or programmes including Governance and External Partnerships/BID Team – see section 2.7

There are many other parts of Auckland Council, CCOs, advisory panels, plans etc that will have an interest in local business communities, town centres and in BID programmes. To find out more, use the links below:

- Auckland Council - <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/council-controlled-organisations/Pages/default.aspx>
- Auckland Council plans, projects and policies - <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/Pages/default.aspx>
- Eke Panuku - <https://www.panuku.co.nz/>
- Auckland Transport - <https://at.govt.nz/>
- Auckland Unlimited - <https://aucklandunlimited.com/>
- Ngā Mātārae (Māori Outcomes Department) - <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/kaupapa-maori/maori-outcomes/Pages/nga-matarae.aspx>
- Auckland Emergency Management - <https://www.aucklandemergencymanagement.org.nz/>
- Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan - <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/Pages/te-taruke-a-tawhiri-ACP.aspx>

### **2.1. BID programme members (BID affiliates)**

BID affiliates are the stakeholders who have property, or a business located within the BID programme boundary area and who pay the annual BID targeted rate directly (ratepayer/property owner) or indirectly (business owner/tenant).

BID affiliates may, or may choose not, to be registered members of the BID-operating business association.

**Requirement 7: BID affiliates must have at all times unrestricted free access to the following:**

- **Information about the business association operating the BID programme:**
  - **How and what decision-making takes place**
  - **Information on the BID programme activities**
  - **How to become a member (membership form and membership process)**
  - **The information should be provided in appropriate languages for the business community**
- **BID programme strategic plan**
- **BID programme annual business plan, activities and outcomes**

- Draft BID programme income and expenditure budget
- AGM documents including the annual review documents and performance reports

Note: BID affiliates are not automatic members of the business association. The BID affiliate must consent in writing to becoming a member. Information on how to become a member and the membership approval process must be visible on the association's online platform.

## 2.2. Business associations operating a BID programme

Business associations are independent membership-based organisations registered under the Incorporated Societies Act 1908 (and any subsequent update).

All registered BID-operating business association are governed by an elected executive committee. The executive committee are responsible for meeting all aspects of the:

- Incorporated Societies Act (1908) and any subsequent amendments.
- The association's constitution or rules
- The Auckland Council BID Policy (2021) and support documents.

Information on a registered business association, including the constitution, can be found on NZ Companies Office website: <https://is-register.companiesoffice.govt.nz/>

Information on the Auckland Council BID programme, including the BID Policy (2021) and support documents can be found on <https://bid.aucklandcouncil.govt.nz/>

## 2.3. BID-operating business association executive committee

The role of members elected to the executive committee in relation to the BID programme and this policy is to:

- Govern the association in terms of advancing its objectives.
- Ensure compliance with the constitution and any other applicable law.
- Honour and fulfill the obligations set out in this policy and support documents
- Manage the operations and affairs of the association.
- Take responsibility to ensure all stakeholders (including BID affiliates) are involved in the governance, management, and operation of a BID programme.
- Ensure the BID programme is delivering increased value to the BID affiliates.
- Report to Auckland Council situations which could be defined as an issue.
- Encourage BID affiliates into full members of the association.
- Agreements or contractual arrangement with other BID-operating business association in relation to any Auckland Council collected BID targeted rate.

### **Requirement 8: The executive committee must operate with the:**

- Principles of trust, respect, and democracy.
- Values of transparency, accountability, and good faith

Executive committees are charged to ensure that every BID affiliate can participate in making decisions either

- directly (become a member of the association, voting on a decision)
- indirectly (through elected leaders who act on behalf of BID affiliates).

**Requirement 9: The BID-operating business association executive committee must have written approaches that will support the achievement of Requirement 8, with regard to:**

- The BID programme – the responsibility of the BID programme as per this policy
- Code of conduct – setting expected behaviours

- Conflict of interest – identification and response to real or perceived situations
- Financial governance – sustainability and oversight of Auckland Council provided funding
- Any formal agreement/contractual relationships with other BID-operating business associations in relation to any Auckland Council collected BID targeted rate.

### 2.3.1 Executive committee – Overall BID programme responsibility and this policy.

The executive committee is responsible for the governance, strategic direction and goal setting, financial performance, and management oversight of the BID-operating business association and the BID programme.

Managers, or other agents utilised by the association, are responsible for the regular reporting to the executive committee concerning these goals and their achievement.

This policy acknowledges in some smaller BID-operating business associations, the executive committee may be involved in practical activities that contribute to the achievement of the organisation’s goals.

In both situations described above, it is important that the integrity of the BID programme and associated decision-making is maintained and recorded.

**Requirement 10:** The BID programme must have a clear differentiation between governance and management roles within the business association.

### 2.3.2 Executive committee - governance documents

**Requirement 11:** This policy requires all BID-operating business association executive committees to operate with the following documents:

- **Association constitution** – Required under the Incorporated Societies Act (1908) and this policy, all BID-operating business associations must have a registered constitution approved by the association membership and registered with the New Zealand Companies Office website: <https://is-register.companiesoffice.govt.nz/>
- **Executive committee board charter** – all BID-operating business associations must have a board charter signed and approved by the executive committee. The board charter must be current, be approved and adopted by the executive committee, by way of a meeting resolution or each member signing/dating the document.

The constitution sets out the association’s member qualifications, member delegated authority, member register, governance processes, legal obligations, record keeping and reporting, meeting requirements and the direction and delivery of the BID programme.

**Requirement 12:** The rules of the BID-operating business association constitution and the board charter must not be inconsistent with this policy.

All, and any, changes to their constitution proposed after the 2022 AGM, will require written approval by council prior to membership approval at an AGM. A BID-operating business association constitution and board charter (template 2021) is provided within the other support material section on the Auckland Council BID website: <https://bid.aucklandcouncil.govt.nz/>

### 2.3.3 Executive committee - governance practices

This policy requires the executive committee to ensure:

**Requirement 13:** Governance practises must include the following:

- **Equity of representation** – that the executive committee is made up of a majority of full members and nominated representative members (a full member who is an entity and has nominated representative to act on behalf of the entity<sup>1</sup>) and associate members.
- **Minimum quorum** – compliance with Table 1 relating to the size and scale for a minimum quorum for executive committee, and general meetings.
- **Any formal agreement/contractual arrangement between BID-operating business associations involving the collected BID targeted rate** – must consider the following:
  - equity representation
  - transparent decision-making
  - Member approval (both entities) by special resolution
  - Written approval from council in relation to the following sections of any agreement:
    - Contract timeframes
    - Objectives
    - Parties roles and responsibilities
    - Issue resolution process
    - Membership engagement

**Table 1 Minimum quorum at meetings**

BID-operating business association with:	Executive committee - minimum quorum	General meeting (AGM/SGM) - minimum quorum
BID targeted rate grant more than \$600,000	7 full members	10 full members
BID targeted rate grant between \$600,000 and \$250,000	5 full members	10 full members
BID targeted rate grant less than \$250,000	3 full members	6 full members

The minimum quorum requirements set out in the table above, relates to the recognition of increase in risk and governance requirements based on the amount of targeted rate received. If the BID-operating business association received additional funding, the association will need to consider if the level of governance oversight is appropriate.

**Financial year**

**Requirement 14: Financial and reporting:** All BID-operating business association must operate to the same financial year as Auckland Council, 1 July – 30 June. AGMs must be held no later than 31 October.

**2.3.4 Operational management practices**

**Other council funding in addition to the BID targeted rate grant**

**Requirement 15:** Where BID-operating business associations receive funding from Auckland Council, local boards or CCOs, in addition to the BID targeted rate grant, council processes require the receiver of funds to be compliant with all accountability requirements associated with the funding. See section 3.1, requirement 22.

**BID programme communication and engagement**

<sup>1</sup> Visit: <https://bid.aucklandcouncil.govt.nz/> - BID-operating business association constitution (template 2021), Chapter III, rule 5.9.

**Requirement 16:** BID-operating business associations are required to identify and interact with the following BID programme stakeholders:

- BID affiliates
- Business association members
- Have a suitable online platform where BID programme information is freely available

The expectation is the BID-operating business association will communicate proactively with BID affiliates and association members throughout the year and formally through the AGM process.

## 2.4. BID-operating business association – member registration

As required under the Incorporated Societies Act 1908 – every applicant applying to be a member of the association must consent in writing to becoming a registered member – visit <https://is-register.companiesoffice.govt.nz/>

Visit <https://bid.aucklandcouncil.govt.nz/> to view the BID affiliate/BID membership qualification guide.

## 2.5. Local boards

Under the Auckland Council’s shared governance arrangements, local boards are allocated several decision-making responsibilities in relation to BID programmes including:

- Approve the establishment of a new BID programme and boundary area
- Approve changes or amendments to an existing BID programme boundary area
- Recommend to the Governing Body proposed changes to a rating mechanism
- Annually recommend BID programme targeted rates to the Governing Body, if it is satisfied that the BID-operating business association is substantially complying with the BID Policy.

Local boards may provide support to BID programmes delivered through their local board annual work programmes and budgets.

The policy recognises the local board are the primary relationship with BID-operating business associations. Therefore, local boards receive communications and advise as part of the decision-making regarding issue resolution as per section 3.5.

*Reference:* Local Government (Auckland Council) Act 2009, s17; The 10-year Budget 2021-2031, Long-term Plan, (Our Recovery Budget), Volume 2, 3.5 Decision-making Responsibilities of Auckland Council, Governing Body and Local Boards. <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/budget-plans/The-10-year-budget-2021-2031/10yearbudgetfull/10-year-budget-2021-2031-volume-2.pdf>

### 2.5.1 Local board BID programme representative

Local boards have the primary relationship with the BID-operating business associations.

Local boards can appoint a board representative to act as the direct relationship liaison between the local board and the BID-operating business association executive committee. This reinforces the governance-to-governance relationship between the two organisations. The local board representative role is not operationally focused nor responsible for operational issues.

The BID-operating business association board may invite the local board representative onto its executive committee. Dependent on the association’s constitution, the local board representative may, or may not have voting rights. Visit <https://bid.aucklandcouncil.govt.nz/> - local board BID representative position description

**Note:** *It is recommended that this member is not given voting rights, to avoid any conflicts of interest (real or perceived) or disputes between the local board and the BID-operating business association board. However, if the local board member and the business association are comfortable that these risks can be managed and considered that voting rights will add to creating a collaborative relationship, this policy does not prevent this from happening.*

Only the local board BID representative appointed to that BID can participate and represent the local board, at BID-operating business association executive committee and general meetings.

### **2.5.2 Local boards engaging with BID-operating business associations**

Local boards can choose how often (annual, six monthly, or quarterly) they wish to have conversations with the BID-operating business associations.

**Requirement 17: BID-operating business associations are required to, as a minimum, engage in one meeting per year scheduled after the AGM.**

These conversations should focus on governance, accountability, and opportunities relating to the BID programme and surrounding business community, rather than discussing operational aspects.

Ideally these meetings should be with the BID-operating business association officers (Committee officers including Chair, Treasurer or manager) and the local board to encourage governance to governance level thinking.

### **2.5.3 Other roles**

There is no blanket prohibition on elected members, in their private capacity, undertaking roles with a BID-operating business association. Consideration of the Auckland Council Elected Member Code of Conduct (2021) apply. Contact the Auckland Council Governance Services Team or visit: <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/elected-members-remuneration-declarations-interest/Pages/elected-members-code-conduct.aspx>

## **2.6. Governing Body**

The Governing Body has allocated governance and decision-making for:

- Approval of the BID Policy
- Setting the targeted rates as part of the council annual budget process.

*Reference:* Local Government (Auckland Council) Act (2009) and the Local Government (Rating) Act 2002.

In accordance with the provisions of the Local Government (Auckland Council) Act 2009 and the Local Government (Rating) Act 2002, the Governing Body has the power to make the final decisions on what BID programme targeted rates, if any, to set in any particular year or in relation to any property (in terms of the amount and the geographic area to be rated).

## **2.7 Auckland Council – CCO & External Partnerships**

The BID Team sits within the CCO & External Partnerships unit and has the overview of the Auckland BID programme on behalf of Auckland Council. They provide advice and guidance to all stakeholders involved in a BID programme.

This team will assist business associations with establishing new BID programmes, any proposed changes to existing or discontinuance of a BID programme.

**2.7.1 Auckland Council/BID Team – provision of annual reporting to local boards**

The BID Team monitor compliance with the BID Policy.

The BID Team provide an annual localised report for individual local boards based on the BID-operating business association overall compliance with the BID Policy (2021).

This review and reporting is part of an active risk management programme to minimise inappropriate use of funds. It is focused on governance and accountability of the BID programme.

As independent societies, BID-operating business associations are autonomous from council. Their programmes and services are provided according to their members' stated priorities. The BID Team, therefore, bases their recommendations on compliance with the BID policy.

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## Section Three: BID programme operating requirements

### 3.1 BID programme funding

BID-operating business associations receive a BID targeted rate grant (base fund) paid by a BID targeted rate collected from commercial/business rated properties located within the BID programme area. This will only proceed if the Governing Body agrees to strike a target rate as part of its annual budget and long-term plan.

BID programme targeted rates collected enable BID-operating business associations to utilise the BID targeted rate grant as a base fund to deliver the BID programme

**Requirement 18: BID-operating business associations must sign the BID programme targeted rate funding agreement prior to the first quarter payment of funding being released. Section 4 Support Documents, Attachment B.**

#### 3.1.1 Auckland Council rating powers

*Reference:* Local Government (Rating) Act 2002

Only Auckland Council can strike a targeted rate for a BID programme. Auckland Council will make the final decisions on what BID programme targeted rates, if any, to set in any particular year. The rating of specific properties is determined by the property's location (within or outside of a BID boundary), its land use (e.g., business, or residential) and its capital value.

#### 3.1.2 Auckland Council rating mechanisms for the BID programme

There are three BID programme rating options that can be applied to the property that qualifies and the ratepayer is liable therefor to pay the BID targeted rate:

- a) **Proportional value method** – Sharing the targeted rate liability based on the capital value of the properties within the BID area. The targeted rate charge is calculated by taking the total BID targeted rate grant (to be paid to the BID-operating business association), incorporating any surpluses or deficits incurred in the previous rating year – see item 3.1.3) 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 boundary than less valuable properties.
- b) **Flat rate method** – is a flat amount applied to each property. The maximum flat rate amount is \$900 + GST.
- c) **Hybrid method** – is a combination of a) and b) above - a flat rate (maximum flat rate amount is \$900 + GST) plus the proportional rate. A hybrid rate flattens out the highest and lowest rates when there is a large variance between the higher and lower capital values.

Council officers will provide advice and guidance to the business association and local board regarding which rating mechanism is appropriate for each BID programme area. Final decision making on which rating mechanism is chosen for each BID programme sits with the Governing Body.

The BID programme targeted rates are collected from individual business and commercial ratepayers and include GST. There are no exemptions from paying the BID targeted rate except those provided for in Local Government (Rating) Act 2002 or in Auckland Council's Rates Remission and Postponement Policy.

The BID targeted rate grant is paid to the BID-operating business association and has no GST applied, as there is no service provided on behalf of Auckland Council.

The request for a BID targeted rate grant approved by the BID-operating business association AGM is included in the Auckland Council annual or 10-year draft budget or engagement and consultation documents. Once adopted they will be included in Auckland Council’s final annual or long-term budget.

**3.1.3 Auckland Council - end of year variance**

Due to timing, there may occasionally be a discrepancy between the amount budgeted and the amount collected. To balance this out, an annual reconciliation takes place and the result of which is used to calculate the following financial year’s targeted rates collected.

Where fewer rates have been collected than budgeted, the difference will be added to the rates collected for the following year. This will increase the BID programme targeted rate collected accordingly. Conversely when more rates have been collected, this will result in a reduced targeted rate collected.

In both scenarios, the business association’s actual BID targeted rate grant payment will still equal the amount approved by the association’s membership at the AGM/SGM and as outlined in Auckland Council’s annual draft budget or long-term plan.

Auckland Council BID Team will provide a reconciliation each year confirming the amount of BID targeted rate grant paid to the BID-operating business association, the amount to be collected via the BID targeted rate and advise of any surplus/deficit situation.

**3.1.4 Changing the BID targeted rate grant amount**

BID-operating business associations may consider increasing, or decreasing, the annual BID programme targeted rate grant amount at an AGM/SGM. There are two options available when considering changes to the BID targeted rate grant:

- a) A ‘one off’ arrangement to increase the BID targeted rate amount for a set period (one financial year).
- b) An increase or decrease to set the BID targeted rate at a new baseline level.

*Note: Both options above require a special resolution if the proposed change is more than 10% or \$10,000 of the current targeted rate grant amount. The special resolution must be listed on the notice and agenda of the AGM/SGM, clearly advising all BID affiliates/association members of the intention to change the BID targeted rate grant.*

The BID-operating business association must clearly record the intention and purpose for the increase/decrease in the annual income and expenditure budget and include further information in the Treasurers report. This information must be included in the AGM notice and agenda at the AGM in the year *prior* to the proposed budget coming into effect. The budget information must be reported, presented at the AGM for approval via resolution in the AGM draft minutes.

**3.1.5 What can the BID targeted rate grant be spent on?**

**Requirement 19:** The BID targeted rate grant spend must focus on delivering value to those paying the BID targeted rate either directly or indirectly.

The BID targeted rate grant must be applied to activities that contribute to the economic prosperity of BID affiliates within the BID programme boundary map, agreed and approved by the BID affiliates and members of the business association.

The grant must not be used for services that are otherwise provided by Auckland Council via its general rate<sup>2</sup>.

Local board grant funding should not be seen as a reliable income stream or expected to cover the administration and compliance costs associated with operating a BID programme including executive committee, management, or BID resources (time or funds).

**Requirement 20: The BID targeted rate grant cannot be used under any circumstances:**

- For any political purpose or promotion of an individual or group of elected member/s or party.
- Used to endorse or support a particular candidate or political party.

Auckland Council reserves the right to review the use of targeted rate funds (the purpose used)<sup>3</sup>; the needs for audit; financial viability of the BID programme, any other BID programme related information and if appropriate may include all other council funding. The right to review is at Auckland Council’s sole discretion (to be exercised reasonably). This review process will be directed by the Auckland Council Risk and Assurance Team.

### 3.2 BID-operating business association accountability and reporting

Information provided through reporting and accountability documents is used to ensure compliance with the BID Policy (2021). The recommendation from annual compliance reports to the relevant local board is to ask their approval to recommend the striking of the target rate for the upcoming year to the Governing Body.

Table 2 defines the accountability and reporting processes that form part of a BID programme under the Auckland Council BID policy.

**Requirement 21: BID operating business associations must complete all reporting and accountability requirements of the BID Policy (2021).**

In the event of reporting and accountability compliance not being met, Auckland Council may choose to enact the issues resolution section of this policy.

**Table 2 BID-operating business association accountability and reporting requirements for the BID programme and under this policy**

AGM Documents	Description	Freely available on online platform	AGM process	Delivered to Auckland Council annually by:
1. Strategic plan	<ul style="list-style-type: none"> <li>• A strategic plan for next 3 – 5 years – sets out the vision for the business community the BID operates within. The development of the plan must involve opportunities for BID affiliates to be consulted, engaged, and provide feedback.</li> </ul> <p><b>Approval process:</b> This plan must be presented and approved by the membership at an AGM. Any subsequent review updated and re-presented at an AGM.</p>	Requirement 21	AGM notice and agenda resolution	March 10
2. Business plan	<ul style="list-style-type: none"> <li>• Business plan (12-18 months) sets out the delivery and outcomes for the BID programme aligning with association’s strategic plan</li> </ul>	Requirement 21	AGM notice and	March 10

<sup>2</sup> It can, however, be used to provide a higher level of service, if desired.

<sup>3</sup> Refer to Risk and Assurance Team

	<p><b>Approval process:</b> This plan must be presented and approved by the membership at an AGM.</p>		agenda resolution	
3. Draft detailed income and expenditure budget	<ul style="list-style-type: none"> <li>Proposed draft detailed income and expenditure budget for the upcoming year. The format for the expenditure should align with the budget line items of the financial performance report.</li> <li>The BID targeted rate grant amount (and any proposed increase/decrease) must be clearly shown on a separate line in the document.</li> <li>Must include any honorarium and non-executive adviser fees</li> </ul> <p>Visit <a href="https://bid.aucklandcouncil.govt.nz/">https://bid.aucklandcouncil.govt.nz/</a> template budget</p> <p><b>Approval process:</b> This budget must be presented and approved by the membership at an AGM. See item j) below for resolution wording.</p>	Requirement 21	AGM notice and agenda resolution	3 weeks before the AGM date
4. Annual financial report including : <ul style="list-style-type: none"> <li>End of year financial report</li> <li>Audit report</li> <li>Chair report</li> <li>Treasurer report</li> <li>Audit management letter</li> </ul>	<p>The standard which the BID-operating business association’s financial statements should be prepared to are:</p> <ul style="list-style-type: none"> <li>BID-operating business associations are responsible for preparing an annual report. The process must include generally accepted accounting practice as defined by the Financial Reporting framework issued by the External Reporting Board (XRB) relevant to the particular circumstances of the BID-operating business association and BID programme.</li> <li>The Annual Report should contain <ul style="list-style-type: none"> <li>Chair Report (written) outlining a summary of key activities for the year</li> <li>Treasurer’s Report (written) – summarising the financial performance and position of the BID-operating business association, including a commentary on any surplus/deficit, financial impacts or risks to income, financial decisions considered by the executive committee, allocation and projects tagged against accumulated funds.</li> <li>Accounting Policies</li> <li>Statement of Financial Performance, Statement of Financial Position, and Statement of Cashflows and accompanying notes</li> <li>Auckland Council provided a copy of the audit management letter signed by the auditor undertaking the audit.</li> </ul> </li> </ul> <p><b>Approval process:</b> the above reports are presented and approved by the membership at an AGM.</p> <p><b>Auditor Qualification</b> The auditor or reviewer appointed to perform the audit or review of the BID-operating business association must:</p> <ul style="list-style-type: none"> <li>Be a current CA member of Chartered Accountants Australia and New Zealand (CAANZ)</li> <li>Have a current Certificate of Public Practice issued by CAANZ</li> </ul> <p><b>Requirement 22: Type of audit:</b> <b>Each BID-operating business association must undertake an annual audit. The type of audit applies as follows:</b></p> <ul style="list-style-type: none"> <li>BID targeted rate grant amount under \$200,000 per annum must commission a review audit<sup>4</sup> of the organisation.</li> </ul>	Requirement 21 and 22	AGM agenda and individual resolution	March 10

<sup>4</sup> An audit review is an engagement that is designed and executed that results in an opinion by the reviewer that nothing has come to their attention through the course of the engagement that would indicate that the

	<ul style="list-style-type: none"> <li>BID targeted rate grant amount over \$200,000 per annum must commission a full audit<sup>5</sup> of the organisation. If appropriate Auckland Council may require the audit to include all other council funding.</li> </ul>			
5. Manager report:	<ul style="list-style-type: none"> <li>A written report reviewing the BID Programme – outcomes and achievements delivered during previous year’s, referencing the achievements against the objectives set out in the business plan/strategic plan.</li> </ul> <p><b>Approval process:</b> presented and approved by the membership at an AGM.</p>	Requirement 21	AGM agenda resolution	March 10
6. AGM Agenda:	<ul style="list-style-type: none"> <li>Agenda is clear on the business being transacted at the AGM with each item requiring a decision/standard resolution clearly separated, numbers and documented in the agenda.</li> <li>The BID targeted rate grant amount resolution is set out as followed:                     <p><b>Standard resolution:</b> Move to approve the YYYY-YYYY (insert years) budget which includes a BID targeted rate grant amount of \$XXXXX (insert amount), including a XX% (insert number) increase or \$XXXX (insert amount)] to the BID targeted rate grant for YYYY-YYYY financial year. Further ask the XXXX (insert local board name/s) Local Board recommend to the Governing Body the amount of \$XXXX (insert amount) be included in the Auckland Council draft YYYY-YYYY [insert years] annual budget consultation process.</p> <p><b>Moved:</b>                      <b>Second:</b> <b>CARRIED</b></p> <ul style="list-style-type: none"> <li>Include any special resolutions clearly documented – Note if there is a special resolution the notice and agenda will need to be made available 21 days prior to the AGM date.</li> <li>Minutes must align with the agenda numbering.</li> </ul> <p>Visit <a href="https://bid.aucklandcouncil.govt.nz/">https://bid.aucklandcouncil.govt.nz/</a> template agenda</p> </li> </ul>	Requirement 21	Agenda to be included in the AGM notice	14 days prior AGM
7. AGM minutes – including the mandatory BID targeted rate grant resolution	<p>AGM minutes clearly set out the following:</p> <ul style="list-style-type: none"> <li>Attendee list – noting the business name and identifying the member registered to vote. Note: <i>if a separate page listing attendee, please provide as part of the minutes.</i></li> <li>Alignment between agenda numbering and minute’s resolution number.</li> <li>Clear and detailed resolutions on the decisions being made by the membership noting the business being transacted and the separate decision/resolution clearly noted.</li> <li>The standard BID targeted rate grant amount resolution is set out as per the Agenda (see item 6 above)</li> </ul> <p>Visit <a href="https://bid.aucklandcouncil.govt.nz/">https://bid.aucklandcouncil.govt.nz/</a> template minutes</p>	Requirement 21		March 10
8. Post AGM requirement:	<ul style="list-style-type: none"> <li>The primary objective of this meeting is to develop and maintain, a working relationship (board to board governance level) exploring how the business association, and relevant local board(s), can work together in the 12- to-24 months ahead.</li> </ul>	Requirement 21	Meeting to be held post AGM and	March 10

financial statements of the BID-operating business association contain a material error. The review must be conducted with the professional review standards as issued by the External Reporting Board (XRB).

<sup>5</sup> A full audit is an engagement that is designed and executed that results in opinion by the auditor as to whether they have obtained reasonable (high but not absolute) assurance that the financial statements of the BID-operating business association are free of material misstatements. The audit must be conducted with the professional audit standards as issued by the External Reporting Board (XRB)

Attend workshop with the local board and business association board:	<ul style="list-style-type: none"> <li>The local board will indicate their preference for when and how often these meetings will take place.</li> <li>The BID Team will schedule the post AGM local board meeting (workshop). The agenda will include: <ul style="list-style-type: none"> <li>The BID-operating business association presenting a review of the financial year just completed and highlights from the year-to-date.</li> <li>An overview of the next 12 months plans and deliverables.</li> <li>Share BID programme information and learnings.</li> </ul> </li> </ul>		before March 10	
9. Account ability Report to Auckland Council:	<ul style="list-style-type: none"> <li>Mandatory Report Summary (includes required documents) on the delivery of the BID programme and the accountability for the moneys spent year past, signed by the BID Manager.</li> <li>Mandatory Declaration Form, including the BID targeted rate grant request for the following financial year signed by the business association board chair.</li> </ul> <p><i>Note: a copy of the Mandatory Declaration Form will be attached to the BID Team annual BID programme compliance report to the local board.</i></p> <p>See section 4 Support Documents BID-operating business association accountability report (page 1 Mandatory Report Summary &amp; Page 2 Mandatory Declaration Form).</p>	Requirement 17		March 10

### 3.3 BID programme proposal processes (establishment, amending, or continuing/discontinuing an existing BID programme and targeted rate)

The timing of the BID proposal must fit within the Auckland Council work programmes, budget, and reporting time frames, including making sure the proposal is identified within Auckland Council planning and consultation document:

- Local board three-year plans
- Local board annual agreement consultation process

Please visit the Auckland Council BID website <https://bid.aucklandcouncil.govt.nz/> for information on this. Adequate time and resources must be built into the project plan for any BID establishment or amendment to an existing BID programme.

**Requirement 23: Establishing a new BID programme, or amendment to an existing BID programme (boundary, rating mechanism or continuation), requires the business association to complete the BID programme proposal requirements as set out in Attachment A.**

### 3.4 BID Ballot process

BID affiliates (eligible BID voter) list	BID ballots and mandate
<p>Must include both business ratepayers and business occupiers/tenants and is sourced as follows:</p> <ul style="list-style-type: none"> <li>• Auckland Council provides a database of business ratepayers in the proposed BID programme area.</li> <li>• The business association is required to identify and develop a database of 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"> <li>○ Commercial/business-zoned property or business-rated property address</li> <li>○ Residential properties but operating a business (as the predominant use) from that property address</li> <li>○ A commercial business/tenant leasing premises within an Auckland Council-owned property</li> <li>○ Any other business activities operating on any property.</li> </ul> </li> <li>• The business association must undertake any voting campaign in a democratic manner and must not interfere with or unfairly influence voters. Refer to Section 122 and 124 of the Local Electoral Act 2001<sup>6</sup> for guidance.</li> <li>• The business association is required to engage with all eligible voters utilising a range of consultation approaches, including hosting three public meetings.</li> <li>• The business association is required to make publicly available the eligible BID voter list (business name and property address only) at least one month before the ballot begins. This is to enable transparency of the ballot process and ensure businesses are aware of whether they will receive voting information. Any last-minute eligible voters can be added subject to verification by the independent election agent.</li> </ul> <p><b>Note: See section 3.1.1 (Auckland Council rating powers).</b></p>	<p><b>BID Ballots:</b></p> <ul style="list-style-type: none"> <li>• The process for a BID ballot is the same as for an establishment, amendment or continuation/discontinuation of a BID programme and targeted rate.</li> <li>• BID ballots are coordinated by a polling agent independent from Auckland Council and the business association.</li> <li>• Voting is based on the principle of ‘one entity - one vote’, an entity being a business ratepayer and/or a business/tenant. The polling agent will combine the eligible business voter list and Auckland Council ratepayer data to form the BID eligible voting list.</li> <li>• Voting papers and voting: the delivery of the voting pack and voting papers can be by post, courier, electronic or hand delivered by the polling agent. Options depend on the needs of the voting group and are at the discretion of the polling agent.</li> </ul> <p><b>Note: The polling agent will have the final say regarding who is entitled to vote and the ballot delivery/voting options.</b></p> <ul style="list-style-type: none"> <li>• Ballots must be at least four weeks (20 working days) and completed by the end of March in any year</li> <li>• Ballots are to be undertaken in a democratic manner and must not be interfered with or unfairly influence voters.</li> <li>• The ballot pack must include a range of material<sup>7</sup> signed off by the BID Team before sending to the polling agent.</li> <li>• Continuation/discontinuation of a BID, material for the ballot pack<sup>8</sup>.</li> </ul> <p><b>Mandate:</b></p> <ul style="list-style-type: none"> <li>• A valid ballot must achieve a threshold of <b>at least 25%</b> of the total voting forms being returned</li> <li>• Of the returned voting forms, <b>a minimum of 51%</b> of the votes must be in favour of the proposition raised on the ballot form to achieve a mandate.</li> </ul> <p><b>Note: A ballot that fails to meet the required mandate will result in a two-year stand down period before another ballot can be held.</b></p>

<sup>6</sup> Refer to Section 122, 124 and 128 of the Local Electoral Act 2001, relating to:

- interfere in any way with any person who is about to vote with the intention of influencing or advising that person as to how they should vote.
- print, publish or distribute a document, notice or message that is an imitation of any voting document used in the poll and that indicates, directs or suggests how a person should vote
- vote or attempt to vote more than once or by more than one method
- vote in the name of another person, or of a fictitious person

<sup>7</sup>This includes the proposed BID programme map (where relevant), purpose of the ballot, BID programme targeted rate grant amount, BID detailed income and expenditure budget for following two years, business association’s relevant objectives and goals rating mechanism, business association membership form and key contact details of independent polling agent and Auckland Council BID Team.

<sup>8</sup> This includes the BID programme map, purpose of the ballot, BID programme targeted rate grant amount, BID detailed income and expenditure budget, key contact details of independent polling agent and Auckland Council BID Team.

**3.4.1 BID programme ballot results next steps – new programme establishments and amendments to existing programmes**

The table below sets out the next steps once the ballot has been completed and the results notified.

**Table 3 BID ballot results, next steps and impact on BID targeted rate.**

Proposal	Next step	Impact on BID targeted rate
Establishment of a BID programme and targeted rate - <u>successful ballot</u> and BID policy requirements met.	Report to local board and complete Governing Body processes approving the final annual or long-term budget.	BID target rate struck 1 July. First quarter BID payment set up to commence from 1 July.
Establishment of a BID programme and targeted rate - <u>unsuccessful ballot</u> and BID policy requirements not met.	BID ballot results notified, no further progress.	No BID target rate considered or approved.
Amending an existing BID programme and targeted rate - <u>successful ballot</u> and BID policy requirements met.	Report to local board and complete Governing Body processes approving the final annual or long-term budget.	Amended BID targeted rate struck 1 July. Amended first quarter BID payment set up to commence from 1 July.
Amending an existing BID programme and targeted rate - <u>unsuccessful ballot</u> and BID policy requirements not met.	BID ballot results notified, no further progress.	Current BID target rate continues to be struck from 1 July.
Continuation with an existing BID programme and targeted rate - <u>successful ballot</u> BID policy requirements met.	Report to local board and complete Governing Body processes approving the final annual or long-term budget.	Current BID target rate continues to be struck from 1 July.
Continuation with an existing BID programme and targeted rate - <u>unsuccessful ballot</u> and BID policy requirements not met.	Report to local board and complete Governing Body processes approving the final annual or long-term budget.	Current BID target rate will discontinue and stop 30 June <sup>9</sup> .

**3.4.2 Exceptional or unexpected circumstances affecting a BID ballot.**

There may be exceptional and unexpected circumstances that have an impact on the ballot result. Examples of some circumstances include, (but are not limited to) natural disaster, pandemic or a major event that causes extended business disruption or lockdown.

If feasible, and on the advice from the polling agent, the BID Team recommends the ballot be postponed (if voting hasn’t commenced) or the ballot period extended (if voting has commenced).

When making a decision on whether to give effect to a ballot sought through a ballot, council may, at its discretion, depart from the requirement set out in section 3.4 BID ballot process, (that 25% of total voting forms must be returned for the ballot to be valid), if the following requirements are met:

- The ballot has closed and voting results are known,
- Evidence provided by the polling agent and the business association show the ballot is affected by exceptional or unexpected circumstances.
- A postponement or extension of the ballot has not occurred.

<sup>9</sup> Discontinued BID programmes and targeted rate will take away the right for the business association to have a BID targeted rate for future years. The discontinuation of the BID programme and targeted rate does not affect the registered incorporated society (business association). The business association continues to operate as an incorporated societies and members can decide to continue the association or use the provisions set out in the associations constitution to wind up the organisation.

When deciding this discretion, Auckland Council will consider evidence of support to date, what is fair and any impact from amending the voting threshold mandate.

### 3.5 Issue resolution

It is an expectation of this policy that all BID programme stakeholders will act with integrity, good faith, and professionalism. The intent of the issue resolution process is to assist the BID-operating business associations to comply with the BID Policy 2021 and be able to continue to govern and operate the BID programme.

**An issue is a BID-operating business association not complying with the BID Policy 2021.**

**Requirement 24: The BID-operating business association must advise Auckland Council when and where there is an issue.**

The options available to assist with an issue with a BID-operating business association **or between two or more BID-operating business associations in relation to collected BID targeted rate**, are considered below. The BID Team will communicate and ensure the local board/s are advised, as required, via workshops, reports, updates and the provision of advice.

Options to assist with an issue will be considered on a case-by-case basis and resolution achieved within a maximum timeframe of 12 months. Auckland Council may (in no particular order):

- Identify the issue
- Engage with ongoing communications with the parties to confirm what is required to comply with the BID Policy 2021 and/or expectations of good practice
- Offer assistance and support
- Continue to review or investigate
- Identify whether specialist advice is required
- Identify if specialist services are required (could include mediation, advocacy, research survey (BID affiliate), mentoring, financial, communication skills etc)
- Delaying BID target rate grant payment/s – The delay of payments (whole or part) can be actioned at any time during the issue resolution process. The BID targeted rate funds will be held by Auckland Council and may be made available to:
  - Meet any BID-operating business association contractual expenditure obligations as advised by the executive committee.
  - Engage independent interim management of a BID programme as required and or to pay for activities identified by the interim management.
  - Initiate a BID ballot, as required, to provide a mandate to continue or discontinue a BID programme and BID targeted rate – see section 3.3 Ballot process.
  - The BID-operating business association upon resolution of the issues identified and to the satisfaction of Auckland Council. The remaining balance of the delayed payments will be paid to the BID-operating business association by Auckland Council, at its discretion and on a case-by-case basis.