

**For General Release**

<b>REPORT TO:</b>	<b>CABINET</b> <b>18 October 2017</b>
<b>SUBJECT:</b>	<b>New Addington Business Improvement District (BID) Renewal</b>
<b>LEAD OFFICER:</b>	<b>Shifa Mustafa, Executive Director of Place, Place Stephen Tate, Director of District Centres and Regeneration</b>
<b>CABINET MEMBER:</b>	<b>Cllr Mark Watson, Cabinet Member for Economy and Jobs</b>
<b>WARDS:</b>	<b>New Addington</b>

**CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:**

his report expands on economic development and regeneration aspects of the adopted Growth Plan; The Croydon Promise in its delivery of:

- The best location in London to start and grow a business
- Giving back to the community

It also supports the Corporate Plan 2015 – 2018 and Community Strategy specifically the objectives to compete as a place:

- A place where people choose to live, work, play and invest
- A place with a competitive local economy and labour market
- A place where town centres flourish

**BACKGROUND**

The Council has key ambitions to grow Town and District Centres pursuing jobs and housing growth. Business Improvement Districts (BIDs) support a number of priorities for the borough namely in jobs and the economy that help deliver these ambitions across the centres. The Community Strategy states that:

**JOBS & THE ECONOMY:**

- We will work to improve development opportunities and investment in New Addington.
- We will encourage businesses to invest in our district centres and to employ local people and we will use business rates to help achieve this.
- We will take steps to encourage owners of empty offices to bring the buildings back into productive use.
- We will support and encourage co-operative solutions to the Croydon economy.

As well as forming part of the local community strategy; BIDs are supported by the Mayor of London as part of the GLA's Economic Development Strategy (2012). They

are strongly championed as part of the current work to revive the UK's high streets

### **FINANCIAL IMPACT**

The financial impact to the Council to renew the New Addington BID is minimal and funded from the revenue Budget. These are detailed in section 4 of this report.

**KEY DECISION REFERENCE NO.: this is not a key decision**

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below.

## **1. RECOMMENDATIONS**

The Cabinet is recommended to:

1.1 Agree that, during the period September 2017 - February 2018, and on receipt of a BID proposal for the renewal of the New Addington BID, the Cabinet Member for Economy and Jobs in consultation with the Executive Director for Place be given delegated authority to:

- 1.1.1 Consider on behalf of the Council as billing authority, whether the proposal conflicts with any formally adopted policy of the Council, and, if it does, give notice of this in accordance with the BID regulations;
- 1.1.2 Determine whether the Council should support the New Addington BID proposal and if so, to vote yes on its behalf in the BID ballot. If a 'no' vote is proposed, this will be referred to Cabinet for further consideration;
- 1.1.3 Formally manage the ballot process in accordance with the BID regulations;
- 1.1.4 That subject to a 'yes' vote at ballot by the relevant business community for the New Addington BID in question, the Council as relevant local billing authority will manage the billing and collection of the additional levy, and its transfer to the BID company. In the event of a 'no' vote, that the costs of the ballot be recovered from the BID Company as per the BID regulations;
- 1.1.5 Enter into key operating agreements with the New Addington BID company regarding the operation of the BID and delivery of Council requirements and baselines.

## **2. EXECUTIVE SUMMARY**

2.1 Croydon is on an exciting journey towards substantial growth, regeneration and reinvestment. Over the next five years, in excess of £5bn will be invested within our metropolitan area, which will feed and sustain further growth within our district centres. Part of this growth will be achieved through the Council's regeneration proposals for New

Addington district centre that builds upon the work already underway. This includes completion of public realm improvements at Central Parade east; the construction of a new leisure and community centre and Central Parade west, maintaining the community offer at the Addington Community Centre, the role out of the behaviour change Live Well programme, community devolution and empowerment.

- 2.2 Together with private led initiatives, future regeneration proposals including the continued investment in Central Parade West and supporting the New Addington BID (the BID) , there is a real opportunity for growth for all experienced by the many not the few.
- 2.3 This report identifies economic opportunity created by the Council in supporting the renewal of the BID and the Council's approach to the renewal ballot for the BID (autumn/winter 2017).
- 2.4 The New Addington BID provides the commercial community of New Addington Parade investment of approximately £30k of funding through a levy raised by the BID. The Council and the BID will work together to drive economic growth in this key, ambitious and growing district centre. This will be achieved through responding to the opportunities presented by a successful BID ballot and aspirations outlined in the forthcoming business plan, working with the private sector, and by using our powers, activity and resources to support local businesses, jobs and housing growth.

### **3. DETAIL**

- 3.1 Part 4 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 (the 'Regulations') permits local business communities to set up a BID as part of the borough community strategy. A BID is a geographical area where businesses are invited to decide how to improve their trading environment, although the regulations do not specify how that geographical area is formed. A local mechanism is used to progress the BID where non-domestic ratepayers occupying local business premises (known as hereditaments) pay an extra levy on top of the annual business rates for a fixed period. This additional funding is ring-fenced and spent at the discretion of the BID Board on a business plan of services and improvements within the BID area.
- 3.2 The Regulations allow any local business community to set up a BID, provided that 51% or more of voting business ratepayers in the proposed area (in terms of both absolute numbers and rateable value) vote in favour. The vote for a BID is carried out by secret postal ballot, which is organised by the local authority. Eligibility to vote is based on one vote per each eligible business premise (hereditament) situated in the defined BID area.
- 3.3 The Regulations require the BID business plan ('the BID proposal') to include the range of new or expanded services and works over and above those provided by the local authority. The local authority is in turn required to demonstrate its intention to maintain its existing services to businesses within the geographical area of the BID for the duration of the BID through baseline agreements. The core focus is a program of additionality, complementing those services provided within the area by the local authority and other statutory services.

## Business Improvement Districts - Implications for the Council

- 3.4 Under the Regulations, the Council has a duty to consider whether or not the proposals conflict with any formally adopted and published policy of the Council, and if it does, give formal notice to the proposer explaining the nature of that conflict. By giving its approval the local authority is satisfying itself that the proposal conforms to the Regulations. It also needs to satisfy itself that the BID proposal has sufficiently demonstrated:
- The business consultation undertaken;
  - The financial management arrangements for the BID body;
  - The proposed business plan;
  - That a contract is in place between the BID company and the Local Authority; and
  - That all necessary steps have been taken to ensure the proposal is robust.

## Business Improvement Districts - The benefits to the Council and Local Economy

- 3.5 The key priority for the Council is to ensure that New Addington residents and businesses benefit from economic growth in the borough, and to ensure they have the opportunities to develop new or to expand existing local businesses, as well as, the skills and qualifications to access jobs paying at least the London Living Wage. To maximize this opportunity, officers are working with businesses and residents in district centres to create high streets that serve their local community, including community facilities, that are safe, with high quality public realm that is easy to navigate.
- 3.6 BIDs provide:
- A dedicated resource to act as a link to the district centre;
  - A focus on economic regeneration within the district;
  - Deliver additionality against the Council's priorities of crime and disorder and environmental change;
  - Improvements and sustainability; and
  - Better community cohesion from the events schedule planned by the BID to encourage footfall.

## Business Improvement Districts in London Borough of Croydon

- 3.7 Croydon Town Centre, Purley and New Addington District Centres each has a BID with different inception and renewal periods which are set out in the table below.

BID DISTRICT	INITIAL VOTE	ESTABLISHED	RE-BALLOT DUE
Croydon Town Centre BID (one of the largest BIDs in the UK)	2006	2007	Autumn 2021
New Addington BID (the smallest BID in the UK)	2012	2013	Autumn 2017
Purley BID ( <i>achieved a successful inception ballot in autumn 2015</i> )	2015	2016	Autumn 2020

- 3.8 Other district centres have expressed an interest in pursuing a BID, such as Coulsdon and Thornton Heath, though these are likely to take some time to come forward and may decide to form alternative mechanisms to drive growth in their district centres.
- 3.9 The Council has supported the above three BIDs and their renewals since 2006 and they have created successful outcomes in the areas that they serve.
- 3.10 In addition, in light of current financial pressures the Council will not be in a position to contribute an annual voluntary contribution to supplement the compulsory levy that they would be subject to annually (subject to a 'yes' vote).

### **New Addington BID**

- 3.11 The New Addington BID was established in 2012. The Council is expecting to receive a BID renewal proposal from New Addington BID by end of August 2017 which will then be evaluated in accordance with the regulations. The BID have indicated that if the proposal is authorised as in line with the Regulations that the second five year period will be the subject of voting commencing on the 6 November - 4 December 2017, with the outcome announced on 7 December 2017 and subject to a further 'yes' vote, the BID will continue from 1 February 2018. The Head of Elections and Civic Services has agreed a proposed draft timeline on this basis.
- 3.12 The terms of the agreement with the New Addington BID will come to an end once this current five year term has ceased, and the renewal of the BID at ballot in December, the Council will renegotiate the terms of the agreement with the New Addington BID to ensure that these are in line with other BIDs across the borough.
- 3.13 Over the last few months, the Council has been collaborating with the New Addington BID, regarding their ballot in December 2017 and renewal of the BID. A successful 'yes' vote at ballot has the potential to unlock further levy income of around £30,000 in 2017-2018 (assuming all 100% of monies owed is collected), although it is unlikely that future years will see variation in income raised as a result of the changes within the number of vacant units in the Parade. The Council will vote in the establishment ballot and can influence those interventions.
- 3.14 The priorities for the New Addington BID over the last five years have been to:
- Ensure that visitors, customers and employees feel safer and business premises are more secure;
  - Improve the perception and image of New Addington as an area in which to invest, work and live;
  - Make the working environment cleaner and more attractive for visitors, whether they are shoppers, employees or office clients;
  - Improve accessibility by promoting awareness of good transport access to the BID area and making the area easier to navigate;
  - Establish one 'port of call', which would act as a facilitator and a collective voice to identify issues and solutions for businesses and to represent them to Croydon Council and other organisations; and

- To coordinate a number of well organised and high events and festivals and events.

3.15 The draft priorities for the New Addington BID for the next five years are proposed as follows and will be confirmed after consultation and formal submission of the proposals to the Council:

- Pledge 1 – Investing in your safety
- Pledge 2 – Creating a great impression
- Pledge 3 – Delivering brighter streets
- Pledge 4 – Helping you in and around
- Pledge 5 - Bringing businesses together

## **4 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

### **Revenue and Capital consequences of report recommendations**

4.1 There are financial implications for the Council associated with supporting BID's.

4.2 The Council is responsible for funding the ballot process which takes place every five years and is managed by Electoral Services. The estimated cost of a ballot for the New Addington BID is £3k and will be funded from existing revenue budgets. If the BID vote is successful there are no further administration costs for the Council as these are recharge to BID members.

4.3 If the Council owns properties within a BID then we are responsible for paying the annual levy associated with these properties. For the New Addington BID this currently applies to six sites, and the annual levy for these sites is approximately £2k per annum. These costs are funded from existing revenue budgets.

4.4 The BID Board are in the process of reviewing their BID boundary, and it is estimated that the Council may incur an increased levy payment of up to £2k per annum if the proposed BID boundary is formally agreed.

### **The effect of the decision.**

A BID enables:-

- Receipt of revenue per annum to help in the regeneration of the area;
- Continuity of business relationships built up in the area through various ongoing and past initiatives;
- Continued engagement of local businesses to work in partnership with each other and with the Council
- Continued development of initiatives that attract footfall to the area and community engagement.

### **Risks**

The risk of the BID ceasing to exist will impact on businesses in the area. Increased footfall and inward investment in the local district centre may not be forthcoming compared with neighbouring areas where this opportunity is being exploited. At a time of austerity, Croydon, a significant commercial centre in South London, cannot risk losing the opportunity to regenerate its local business communities.

## **Options**

There are no perceived alternative options for the Council. If the business community chooses to pursue the legislative BID route and vote 'yes', then the Council is obliged to play its part in the process. It is also obliged to fund the ballot process unless the ballot is unsuccessful.

## **Future savings/efficiencies**

As a private sector initiative, the BID has no impact on the future savings or efficiencies of the Council. Any reduction of ownership of property in the BID area will have a direct impact on the levy payment due. The BID when operational, will add value to the wider economy of the Town Centre or District Centres.

(Approved by Lisa Taylor, Director of Finance, Investment and Risk)

## **5. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 5.1 The Solicitor to the Council comments that such legal considerations as there are which are pertinent to the recommendations in this report are set out in the detail of the report which explains both the relevance of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 (BID Regulations). Beyond compliance with the statutory provisions, there are no other direct legal implications arising from the recommendations within the report.

(Approved by Sean Murphy, Head of Commercial and Property Law and Deputy Monitoring Officer for a and on behalf of the Director of Law and Monitoring Officer)

## **6. HUMAN RESOURCES IMPACT**

- 6.1 The BID will require ongoing support from an officer within the Regeneration team or the Economic Development team to assist in coordinating the delivery of agreed interventions that are set out in the Business plan. This may only amount to the attendance of meetings for BID Board updates or may ultimately involve a more comprehensive collaboration regarding a specific project the BID may wish to implement. Any support or service outside of this will be subject to officer availability and no conflict of interest.
- 6.2 There are no broader direct staffing implications arising from this report.

(Approved by Sue Moorman, Head of Human Resources)

## **7. EQUALITIES IMPACT**

- 7.1 The BID is a separate entity to the Council and provides services that are over and above those undertaken by the Council.
- 7.2 An equality analysis may be undertaken to assess whether the New Addington BID is likely to have any adverse impact on residents and businesses groups that share a "protected characteristic".
- 7.3 The proposal to renew a BID will support the Council in delivering on the economic development and regeneration aspects of the adopted Growth Plan and the Council's

Equality and Inclusion objective to work in partnership to lift people out of poverty by increasing employment opportunities across the borough and ensuring local people to have a pathway into employment, education and training. (TBA by Equalities Team)

## **8. ENVIRONMENTAL IMPACT**

8.1 The Council will ensure that all environmental considerations are given appropriate assessment at all levels of the delivery of projects which deliver more employment opportunities for the borough's residents.

## **9. CRIME AND DISORDER REDUCTION IMPACT**

9.1 A key focus of the BID proposal will be additional local safety and security initiatives to add to the Council's ongoing commitment. In this way, a BID will play a part in orchestrating business led solutions to criminal and anti-social behaviour.

## **10. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

10.1 There are no perceived alternative options for the Council. If the business community chooses to pursue the legislative Business Improvement District route and vote 'yes', then the Council is obliged to play its part in the process. It is also obliged to fund the ballot process unless the ballot is unsuccessful.

## **11. OPTIONS CONSIDERED AND REJECTED**

11.1 The following options were considered:  
Bring all BIDs before full Cabinet at each stage.  
Delegate authority as per the recommendations for the reasons set out in the report.

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### **CONTACT OFFICER:**

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**BACKGROUND DOCUMENTS:** None.

**APPENDICES TO THIS REPORT:** New Addington BID map (Appendix 1)  
Renewal Proposal for Central Parade New Addington (Appendix 2)



Appendix 1: BID area – New Addington BID BID map  
(Map below demonstrates esting BID Boundry)

