

Decision Maker: RENEWAL AND RECREATION PORTFOLIO HOLDER FOR
PRE-SCRUTINY BY THE RENEWAL AND RECREATION
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Tuesday 26 January 2016

Decision Type: Non-Urgent Executive Non-Key

Title: FUTURE OF TOWN CENTRE MANAGEMENT AND BIDS
DEVELOPMENT STRATEGY

Contact Officer: Martin Pinnell, Head of Town Centre Management and Business Support
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Chief Officer: Executive Director of Environment & Community Services

Ward: (All Wards)

1. Reason for report

As part of its clear commitment to developing and enhancing vibrant thriving town centres (a Building a Better Bromley priority) the Council has already sponsored the successful establishment of Business Improvement Districts (BIDs) in the largest two town centres. Given that the BID model has clear benefits as a way of securing sustainable investment and giving businesses a central role in managing their town centres, the ambition is roll this model of town centre management to other areas of the borough where these are viable. The purpose of this report is to seek Member endorsement of a change in the approach to managing the remaining town centres to enable the limited staff resources involved in Town Centre Management to be re-directed towards establishing and nurturing BIDs across the borough – thereby sponsoring a step change in the pace of BID development.

2. **RECOMMENDATION(S)**

The Renewal & Recreation Portfolio Holder is asked to:

- 2.1 Note the success of the Bromley BID at ballot and progress made in establishing the new BID.
- 2.2 Subject to the outcome of consultation with staff, staff representatives, Ward Councillors and other stakeholders, and taking account of any issues that may have arisen during the consultation:
- i) Agree the proposed reorganisation of the current Town Centre Management and Business Support team, involving withdrawal of provision of any Town Centre

Management services, including the funding and management of town centre Christmas Lights with effect from 1 April 2016.

ii) Endorse the proposed refocusing of the remaining resources of the Town Centre Management and Business Support team, including staff resources, towards the development of further BIDs and in support of the wider Growth Agenda for the Council,

iii) Agree that the remaining Town Centre Management Initiative Fund allocation for 2016/17 and in subsequent years be dedicated to the delivery of the BIDs programme.

The Renewal & Recreation PDS Committee is asked to:

- 2.3 Note and comment upon the recommendations for the Portfolio Holder, taking account of the results of consultations with staff, staff representatives, Ward Councillors and other stakeholders.**

Corporate Policy

1. Policy Status: New Policy: Withdrawal of existing service
 2. BBB Priority: Vibrant, Thriving Town Centres
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Financial

1. Cost of proposal: Estimated annual saving of £46k
 2. Ongoing costs: Net saving of £46k
 3. Budget head/performance centre: Town Centre Management & Business Support
 4. Total current budget for this head: £197k
 5. Source of funding: Net revenue budget for 2016/17
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Staff

1. Number of staff (current and additional): 3 permanent staff, reducing to 1 permanent, 1 fixed term
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: None: *Town Centre Management services are not a statutory duty for Local Authorities to provide*
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Businesses based in TCM managed towns (non BID) Approx 400
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: At time of writing, no written comments have yet been received from Ward Councillors, but any received in advance of the PDS Committee meeting will be reported verbally at the meeting.

3. COMMENTARY

Background

- 3.1 As Councillors will be aware, the Council is in the midst of a period of profound change which is driven in the main by the need to find significant financial savings. Something of the order of £60m has been cut from the Council budgets during the past few years and an additional £50m of savings need to be found during the next four. In this context the Council has to review all services, particularly those which are non-statutory. This includes the Town Centre Management (TCM) service.
- 3.2 Since 2011 it has been the agreed direction of travel for the Council to support the formation of Business Improvement Districts (BIDs), especially within town centres and this approach has been endorsed by Councillors on several occasions. BIDs provide a sustainable and fair method for the businesses based within a town centre to contribute to and lead on the management and improvement of their locality. Establishing a BID in a locality can lever in far in excess of the resources which would be accessible from Council funded Town Centre Management arrangements. For example since its establishment in 2013 the Orpington 1st BID has generated at least £400k of income, all of which has been spent to the benefit of the town centre, and the new Bromley BID is expected to generate at least £3m of investment in the town over its first 5 years.
- 3.3 Councillors should be aware that the new Bromley BID was successfully approved at a ballot of businesses on 5 November 2015. Officers have been working alongside the BID Directors and their appointed management company to put in place the necessary arrangements for the BID to function from 1 April 2016. The BID has already advertised for the post of BID Manager and it is expected that this appointment will be made and the post holder in place by early March. Legal have provided advice which indicates that TUPE does not apply because the Council is ceasing the traditional Town Centre Manager service and is not tendering this service so there is no contractual arrangement between the Council and the BID.
- 3.4 The direction of travel for the Council's management of town centres was made explicit at a meeting of the Executive on 12 September 2012 in relation to the Orpington BID: "If [the BID is] successful the present arrangements for a Council funded Orpington Town Centre Manager would not be required (subsequently a vacant Town Centre Manager post was deleted). The intention was that if the Orpington BIDs Proposal was successful then the same process would be rolled out to other Town Centres with the effect that Council run Town Centre Management would cease altogether from 2014." The logical extension of the Council's approach to BID development is for the Town Centre Management Service to be withdrawn entirely. The current proposals merely accelerate the process that started in 2013 with the establishment of the Orpington BID.

Proposed changes

- 3.5 Based on budget proposals agreed at the Council's Executive in January 2015, Members have already endorsed that following the establishment of the Bromley BID, one TCM post will be deleted. However, it is now proposed that the remaining Town Centre Manager post will also be deleted, to be replaced by a single BID Project Officer post, which will be 2-year fixed term position. It will be a more effective use of a limited and reducing level of resource for the single remaining TCM post to be re-focussed away from the day to day management of the remaining town centres towards managing the development and roll out of BIDs across the borough – starting in Beckenham and Penge, but also taking in other areas where there is a demonstrable interest from local businesses and other stakeholders. Members should note that in December a letter summarising these changes was sent to the various stakeholders in the town centres most likely to be affected by this proposed change, whilst a consultation with staff and their

representatives has also taken place between mid-December and mid-January. Subject to the outcome of this consultation and Member approval, the proposed staff changes will be implemented by the Council during Spring 2016.

- 3.6 The practical impact of this proposed change is that the Council will no longer provide officer time or funding to deliver a number of town centre initiatives. To be specific, the activities that will no longer be managed by the Council through the TCM service include (but are not limited to) the following:
- Town centre events and special markets
 - Christmas lights supply and installation
 - Remembrance Poppy displays
 - Town centre promotional initiatives (e.g. Maps, guides, banners etc)
 - Community safety projects – including evening economy initiatives
 - Regular general communications to businesses and stakeholders (e.g. town centre newsletters, e-bulletins)
 - General development or facilitation of existing town centre networks or groups (e.g. Town Centre Teams, Traders Groups)
 - Generation of sponsorship and other external funding (including on street promotions) to support TCM activities
 - Environmental monitoring and troubleshooting
 - Special environmental projects or initiatives (clean up days, additional planting etc)
- 3.7 Members should be aware that even if the Council no longer directly delivers the above initiatives, these may still take place. We know that a number of smaller town centre groups (both business- and resident-led) already organise their own Christmas lights and seasonal events (for example Petts Wood and West Wickham), a number have also provided Remembrance Poppy displays in their localities (e.g. Coney Hall), and a number of town centre groups continue to flourish without direct support from Council Officers (e.g. Chislehurst Town Team). Officers will continue to support this self-help approach from town centre stakeholders. The proposed new BID Project Officer post will, as part of the BID establishment remit, retain responsibility for liaison with businesses and local stakeholders (which may involve attendance at stakeholder meetings) and will also continue to offer signposting and advice to local groups requiring support for their town centre initiatives. In addition, as part of the wider Growth Agenda the post holder may also be expected to facilitate some business support initiatives – engaging with businesses across the borough, not just in town centres.
- 3.8 It should be noted that where there are major public realm projects ongoing or in prospect (for example in Beckenham town centre), the Council will make separate arrangements to ensure that traders and other affected stakeholders are kept fully informed, as was the case during the implementation of the Bromley North improvements.
- 3.9 If approved, the new Project Officer post will report to the Head of Town Centre Management & Business Support post (job title to be revised). This role already includes a wide range of duties which are not directly related to Town Centre Management – including representing the Council to the wider business community and other partners involved in the local economy; coordinating communications with businesses; overseeing the BID programme, including implementation of

new BIDs and monitoring arrangements with existing ones; managing a business support programme for local small and medium enterprises (SMEs) and providing strategic advice and guidance on issues related to business support and economic development. Options for a re-alignment of the reporting structure and the key responsibilities for this post are being considered. The Head of Renewal is developing a refreshed Borough Growth Strategy for consideration by Members in early 2016. As a consequence it may be that this post and its direct reports would become part of the delivery team for this Strategy.

- 3.10 The first task for the re-structured team will be to commence the process of developing BIDs in Beckenham and Penge – engaging with all relevant stakeholders. In line with the approach adopted at Orpington and Bromley, the initial stage of this process will be to commission a formal feasibility study on the prospects of BIDs for both town centres. In addition, Officers will explore options for developing collaborative working arrangements between existing and emerging BIDs to realise efficiencies in back office and staffing costs – which will help to make BIDs in smaller town centres more financially viable.

4. POLICY IMPLICATIONS

The success and vitality of the Borough’s town centres remains one of the Building a Better Bromley priorities. The twin tracks of this are to invest in improved public realm to attract visitor numbers and business investment, and to develop BIDs through which businesses can invest in and lead on the ongoing management and improvement of their trading environment. The proposed changes set out in this report will accelerate the delivery of the latter element.

5. FINANCIAL IMPLICATIONS

- 5.1 The proposed changes including the impact of the Bromley BID – which involve the deletion of 2 TCM posts and the creation of a new Project Officer post – can be summarised as follows: -

	2016/17 £'000	2016/17 £'000
2015/16 Net Budget for Town Centre Management		197
Net impact of establishment of Bromley BID		
Deletion of 1fte	-46	
Deletion of Bromley TC budgets	-34	
Deletion of income budgets re Bromley TC	35	
Additional cost of BID levy payable by LBB	12	
	<hr/>	-33
Removal of residual grant for Orpington 1st BID		-13
Deletion of second TCM post		-46
Creation of new BID Project Officer post		46
Net budget for 2016/17*		<hr/> <hr/> 151

* The net budget for 2016/17 will include an estimated £15k to £20k that is to be used to support BID development projects.

6. LEGAL IMPLICATIONS

The Council has no legal obligation to provide a Town Centre Management Service.

7. PERSONNEL IMPLICATIONS

- 7.1 The proposals set out in this report to Members recommends to reorganise the current Town Centre Team in order to refocus the remaining resources to develop further BIDS from 1 April 2016 has implications for the two posts of Town Centre Managers who will be at risk of redundancy if the proposal is agreed. The proposal is to create a BID Project Officer (2-year fixed term) and this post would be a suitable alternative post for one of the Town Centre Managers and if agreed the post will be ring fenced to them and a competitive interview arranged. The unsuccessful Town Centre Manager will be considered for redeployment subject, of course, to availability. Consistent with good practice and legal provisions the Council will seek to mitigate the impact of this exercise by also considering voluntary redundancy based on the financial interest of the Council.
- 7.2 As stated in the report TUPE will not apply to these proposals because there will be no contractual arrangement with the BID. Members are asked to consider comments from staff, Departmental Representatives and Trade Unions following a period of formal consultation on the restructure of Town centres which commenced on 14 December 2015 and ended on 19 January 2016. Members should note that in the event that these proposals are implemented any staffing implications arising from these recommendations will need to be carefully managed in accordance with Council policies and procedures and with due regard to the existing framework of employment law.

Non-Applicable Sections:	N/A
Background Documents: (Access via Contact Officer)	