

**Decision Maker:** EXECUTIVE

**FOR PRE-SCRUTINY BY THE RENEWAL & RECREATION  
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

**Date:** R&R PDS - Wednesday 1 November 2017  
Executive - Tuesday 7 November 2017

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** BECKENHAM AND PENGE BUSINESS IMPROVEMENT  
DISTRICT (BID) PROPOSAL FOR 2018-2023

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**Chief Officer:** Nigel Davies, Executive Director of Environment & Community Services

**Ward:** Penge and Cator, Kelsey and Eden Park, Copers Cope, Clockhouse

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1. Reason for report

This report updates Members on the progress to date on the development of a proposed Business Improvement District (BID) in Beckenham and Penge Town Centres and its potential implications for the Council; Introduces the outline Beckenham and Penge BID Proposal 2018 – 2023 which has been presented to the Council by the BID Steering Groups in each town and requests delegated authority for the Portfolio Holder for Renewal and Recreation to review the final versions of the BID Proposals in order to authorise a Ballot to be held of the establishment of the Beckenham and Penge BIDs in February 2018.

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2. **RECOMMENDATION(S)**

**Members of the Executive are asked to:**

- 2.1 **Note the draft Beckenham and Penge BID Proposals 2018 – 2023 (summarised in 3.10 below but provided in full as part of a report on Part 2 of this agenda) and the progress to date on the development of the BIDs, including the level of consultation with businesses, outline BID levy rules and emerging key priorities of the proposed BID**
- 2.2 **Agree in principle, on the basis of the draft outline BID Proposals that the Council's Ballot Holder may be instructed to hold ballots in February 2018, according to the**

**Business Improvement District Regulations (England) 2004, being satisfied that the draft BID Proposals do not conflict with any of the Council's priorities and plans, and that the geographic scope of each is within the boundaries of the London Borough of Bromley (see maps of draft BID boundaries in Appendix 2A and 2B).**

- 2.3 Agree delegated authority to the Portfolio Holder for Renewal & Recreation to review the FINAL version of the BID Proposals which are expected to be delivered to the Authority by 17 November 2017 and provided that these still meet the criteria outlined in 2.2 above, instructs the Ballot Holder to run the BID ballots, on behalf of the Executive.**
- 2.4 Agree that the Portfolio Holder for Renewal and Recreation nominates an officer to vote 'Yes' on behalf of the Council for eligible Council-occupied hereditaments which fall within the proposed BID areas (these are listed in paragraph 5.2).**
- 2.5 Subject to a BID 'yes' vote, authorise the Director of Corporate Services to enter into all legal agreements necessary to operate the BID, and that the agreements ensure that the BID companies formed in both locations act at all times in the best interests of the town centres. The draft agreements, which are still to be finalised, are included as part of Appendix 1A and 1B.**
- 2.6 Note that potential net savings of £44k could result from the establishment of BIDs in Beckenham and Penge Town Centres outlined in section 5.**

## Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Vibrant, Thriving Town Centres
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## Financial

1. Cost of proposal: £110k including £9.5k for ballot costs and one-off system set up costs
  2. Ongoing costs: Potential annual savings of £51k offset by costs of £6.9k per annum for the BID Levy payable
  3. Budget head/performance centre: Town Centre Management
  4. Total current budget for this head: £153k and £110k
  5. Source of funding: Existing Controllable Revenue Budget 2017/18 and Growth Fund
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## Staff

1. Number of staff (current and additional): 1
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: Non-Statutory - Government Guidance
  2. Call-in: Applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Businesses within Beckenham Town Centre, especially up to 312 business rates payers who are likely to be BID Levy Payers from April 2018 – March 2023. Businesses within Penge Town Centre, especially up to 237 business rates payers who are likely to be BID Levy Payers from April 2018 – March 2023
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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 finalising this report, comments have been received from two ward Councillors: Cllr Michael Tickner (Copers Cope) - who said that he was supportive of the proposals asked for an update on the BID to be provided to next Beckenham Working Group meeting – and Cllr Kathy Bance (Penge & Cator), who said that the proposals seemed positive. No further comments had been received at time of finalising this report – but any Member comments received after report publication will be reported orally at the committee meeting.

### **3. COMMENTARY**

#### **Background**

- 3.1 Following initial feasibility work in June 2016, the Executive approved the setting aside of £110k to assist with the establishment of a Business Improvement District (BID) in Beckenham and Penge Town Centres.
- 3.2 The Beckenham and Penge BID Steering Groups were established in Spring 2017 with the intention of harnessing the enthusiasm and commitment of business people representing both large and small enterprises and encompassing retail, leisure and office sectors.
- 3.3 In proposing and developing BIDs in Beckenham and Penge, the Council's Town Centre Management Team appointed Central Management Services (CMS) in November 2016 to undertake the complex and time consuming tasks involved in preparing a BID proposal and taking the proposal to ballot. CMS is highly experienced in the practice of setting up and operating BIDs across the UK and indeed has a 100% success record in delivering successful BID ballots. They use a standard and well proven 5-stage approach to setting up a BID, consisting of the following:
- Feasibility Stage – involving establishing the need for a BID, assessing business interest, testing the financial feasibility based on business rates data and raising awareness of the process
  - Planning Stage – including establishing the vision, undertaking research and in-depth consultation, modelling the potential BID levy rules and creating the Proposal
  - Local Authority Stage – including developing Operating and Baseline agreements, agreeing and setting up the ballot process and agreeing a ballot timetable, creating a voter database and agreeing BID levy collection processes. This Stage involves some input from various Council teams, with the lead taken by the Head of Town Centre Management & Business Support.
  - Campaign Stage – Involving establishing the voters at each business, communications with voters, ballot monitoring and agreeing contingency for failure at ballot
  - Establishment Stage – including preparation for launch, setting up billing procedures, governance arrangements, staffing and recruitment

Because the timescales for delivery are short, the Planning Stage and the Local Authority Stage activities are being run in parallel to ensure that the statutory deadlines for undertaking BID ballots and setting up the BIDs are met within a timescale to enable the ballot to take place in February 2018.

#### **Council decision-making for the establishment of the BID**

- 3.4 The Business Improvement District Regulations (England) 2004 require a BID proposer to request that the Local Authority holds a ballot on the BID Proposal. The parameters of this decision are framed by the legislation – and these are set out in paragraph 6.1. However, because of the short timescales involved, the BID Proposal is not yet finalised. The draft BID Proposal will be refined by a further round of consultation with local businesses and key stakeholders, with a view to providing the Council with the final BID Proposal and Business Plan by 17 November 2017.

- 3.5 The BID Proposer is requesting that the BID Ballot is held from 1 February to 28 February 2018. Therefore the formal Notice of Ballot will need to be issued in mid-January. Because of the Council's timetable of meetings there would not be another opportunity before that time for the Renewal & Recreation PDS Committee to review the final version of the Proposal and Business Plan in advance. Therefore, although this report recommends that the Executive agrees in principle with the running of a BID Ballot on the basis of the Outline BID Proposal, Members are also requested to approve delegated authority for the final decision to be accorded to the Portfolio Holder for Renewal & Recreation, who would be provided with the final version of the BID Proposal and Business plan and would therefore be able to instruct the Ballot Holder to proceed at the appropriate time. Additionally the Portfolio Holder will need delegated authority to mandate an Officer to vote in favour of the final BID Proposal in the ballot in respect of hereditaments which are occupied by the Council.

### **Consultation of Beckenham and Penge businesses**

- 3.6 The Feasibility Stage was completed in June 2016. The total number of business hereditaments included within the proposed Beckenham BID area was 506 and in the proposed Penge BID area 361. In total 185 businesses responded to the feasibility survey, representing 21% of the total. The responders were broadly representative of the retail, leisure and office split in the towns. Business responses highlighted a number of priorities in Beckenham these included car parking, marketing and events and in Penge car parking, safety and marketing. This feasibility study was reviewed by CMS following their appointment in November 2016 and it was agreed to formally establish the Steering Groups in each town centre and proceed with the Planning and Local Authority stages.
- 3.7 The Steering Groups in each town centre were established in Spring 2017 with the Planning Stage commencing in June 2017, in conjunction with The Local Authority Stage, and will be completed with the delivery of a final BID Proposal to the Council in November 2017. The required notification of proposed ballot to the Secretary of State was sent and acknowledged on 23<sup>rd</sup> October 2017 (which is more than the minimum 84 days prior to Notice of Ballot).
- 3.8 As part of the Planning Stage a more detailed business survey and business workshops were conducted to ascertain the priorities for each of the town centres. The response rate in Beckenham was 50% (156 businesses) and in Penge was 49% (117 businesses). In the early stage consultation, businesses have not been specifically asked as to whether they would vote in favour of a BID since at this stage there was no BID Proposal for them to decide upon. However, those undertaking the work have reported a generally very positive approach to the concept of a BID for Beckenham and Penge which suggests that the BID will be successful at ballot. Within the next stage of the project (Campaign Stage) businesses will be approached to ascertain their voting intentions and the results of this canvassing will be fed back to the Council on a regular basis.

### **Outline of Beckenham BID Business Plan**

- 3.9 Arising out of this in depth consultation there were 4 work themes which were clearly supported by the businesses, which would be the main thrust of the BID's proposed delivery programme over the 5 year term to March 2023. The below provides a brief description of each theme.

#### **Marketing Beckenham**

- 3.10 The BID will develop a coordinated marketing strategy with targeted campaigns to engage with specific sectors and age groups. The BID will create a user-friendly website and proactively develop social media engagement across all channels. An online loyalty scheme will offer tactical marketing opportunities to raise brand awareness and drive footfall throughout the year.

### **A great customer experience**

- 3.11 The BID will provide a series of events, promotions and campaigns throughout the year, aimed at attracting local residents to shop locally and get the most out of Beckenham as a shopping destination and a social space. Events will be targeted during the quietest periods in the year and also at core bank holidays to help support businesses when trading is most needed. In addition the BID will fund a more extensive annual Christmas lights scheme to the town centre to help attract shoppers.

### **A warmer welcome**

- 3.12 A new team of street ambassadors will be the friendly face of Beckenham town centre. They'll provide advice and directions as well as promote events in the town. They'll report graffiti, vandalism, and other on-street issues ensuring they are dealt with promptly by the authorities. The Street Ambassadors will also provide a vital link between the BID Management Team and the business community. In addition the BID will play a coordinating role in linking various town centre safety initiatives, including the Purple Flag scheme (for the night-time economy).

### **A stronger business voice for Beckenham**

- 3.13 The BID will provide a strong and consistent voice for businesses to the Council and other organisations, ensuring business views, suggestion and observations on town centre issues are listened to and taken in account before major policymaking decisions are made. The BID will commission research focusing on town centre transport and parking issues, measuring impact on local businesses. A joint plan of action will be implemented to ensure parking restrictions are appropriate and that visitors are aware of the best and most cost effective ways of accessing the town centre.

It should be noted that the draft business plan states that, to comply with industry guidelines, it is recommended that overheads (operating costs) be maintained at 20% of expenditure or less. Further information on each of the above themes and the possible activities included is provided as an appendix to the Part 2 committee report on the same subject.

### **Outline of Penge BID Business Plan**

- 3.14 Arising out of the in depth consultation there were 4 work themes which were clearly supported by the businesses, which would be the main thrust of the BID's proposed delivery programme over the 5 year term to March 2023. The below provides a brief description of each theme. Members should note that at time of writing the draft business plan had not been reviewed by the Penge BID Steering group – so the below summary is provisional.

#### **Improving safety and security**

- 3.15 The BID will provide a reassuring on-street presence as well as supporting initiatives to reduce crime and anti-social behaviour. A new team of police-accredited Street Rangers, focusing on crime reduction, will not only provide people with advice and directions, and promote events in the town but also help to ensure on-street issues are dealt with efficiently and effectively promptly escalating any crime or anti-social behaviour incidents to the Police as appropriate. They will also be a vital link between the BID Management team and the business community. The BID will fill any gaps in CCTV coverage and look to develop and implement other appropriate retail crime initiatives.

## Street Smart

- 3.16 The BID will support projects that improve the cleanliness and tidiness of the on street environment. The BID will aim to provide a reactive fly tipping removal and disposal service exclusively for local business with no callout fees. The BID will work to set up a group recycling and waste disposal scheme for members increasing purchase power and reducing business costs. The BID will provide extra litter bins in areas that frequently suffer from unsightly littering issues. An annual street clean will bring together local businesses, community groups and residents to take action and give the BID area a thorough tidy-up.

## Marketing Penge

- 3.17 The BID will aim to enhance the town's online presence with a dedicated website and an intensive social media engagement strategy. The BID will support and promote events in the town centre. By re-establishing the town centre as a vibrant social space, community spirit can be rekindled attracting visitors from a wider catchment area.

## Improving parking

- 3.18 The BID will work with Bromley Council and any other appropriate organisations to formulate a local parking strategy to help ensure parking restrictions are fair. The BID will also work with the Council and private car park owners to explore ways to increase awareness of the available parking and on-street restrictions.

As with the Beckenham BID business plan, to comply with industry guidelines, it is expected that overheads (operating costs) for the Penge BID be maintained at 20% of expenditure or less. Further information on each of the above themes and the possible activities included is provided as an appendix to the Part 2 committee report on the same subject.

- 3.19 As both BID Proposers are independent private companies and their plans for the delivery of services are still under consultation with their own members and levy payers – the BIDs has asked for the full draft Business Plan and 5-year Budget for the period 2018 – 2023 to be kept confidential at this stage. For this reason the full draft documents are provided to Members as an appendix to a report under Part 2 of this agenda.
- 3.20 For the Beckenham BID it has been assumed that there would be a threshold of £5,000 rateable value beneath which businesses within the area would not be subject to a levy and so would not be balloted. The reason for this is that the levy collected from these very small premises will be so low as to make collection uneconomical.

The recommended headline BID Rules for Beckenham BID are:

The levy rate to be paid by each hereditament is to be calculated at 2% of its rateable value as at the Chargeable Day (1 <sup>st</sup> April in each year).
All hereditaments with a Rateable Value of £5,000 or above will be eligible for payment of the levy. (The number of hereditaments liable for payment of the levy is expected to be 312)
Each year the levy rate will be increased by a fixed rate of inflation of 2% per annum.
The levy will be charged annually in advance for each chargeable period, to be April to March each year. No refunds will be made.
Owners of untenanted buildings would be liable for the levy.

Charitable organisations that are not a retail or leisure trading organisations will pay 80% of the levy
The London Borough of Bromley will be responsible for collection of the levy. The parameters of this responsibility, including collection charges to the BID, are to be set out in the Operating Agreement.

On this basis, a Beckenham BID would have Year 1 levy income of £188k (assuming a collection rate of 98%), increasing by 2% per annum thereafter. This would be sufficient to deliver the programme of improvements and activities which are outlined above, although in common with other BIDs there would be future opportunities to generate additional income (for example through sponsorship, trading and grants).

3.21 For the Penge BID it has been assumed that, as with Beckenham, there would be a threshold of £5,000 rateable value beneath which businesses within the area would not be subject to a levy and so would not be balloted.

The recommended headline BID Rules for Penge BID are:

The levy rate to be paid by each hereditament is to be calculated at 2% of its rateable value as at the Chargeable Day (1 <sup>st</sup> April in each year).
All hereditaments with a Rateable Value of £5,000 or above will be eligible for payment of the levy. (The number of hereditaments liable for payment of the levy is expected to be 237)
Each year the levy rate will be increased by a fixed rate of inflation of 2% per annum.
The levy will be charged annually in advance for each chargeable period, to be April to March each year. No refunds will be made.
Owners of untenanted buildings would be liable for the levy.
Charitable organisations that are not a retail or leisure trading organisations will pay 80% of the levy
The London Borough of Bromley will be responsible for collection of the levy. The parameters of this responsibility, including collection charges to the BID, are to be set out in the Operating Agreement.

On this basis, a Penge BID would have Year 1 levy income of £122k (assuming a collection rate of 98%), increasing by 2% per annum thereafter. This would be sufficient to deliver the programme of improvements and activities which are outlined above, although in common with other BIDs there would be future opportunities to generate additional income (for example through sponsorship, trading and grants).

Although each town will have their own independent BID companies set up it the recommendation from our consultants is that they share operational elements to reduce costs, such as staff and office space. This, however, would be a decision for the Boards of the new BIDs, which will be independent companies.

## Implications of BID establishment

3.22 Based on the proposed BID levy rules above, and barring any significant changes in the rateable values within the BID areas, the total investment which would arise from the Beckenham BID levy will be £940k over the 5 year term and for the Penge BID levy this will be £600k over the 5 year term. This is a significant level of private sector investment to help ensure that both Beckenham and Penge town centres remains competitive within London and the South East. In terms of financial impact on the businesses, although there are a small number of national businesses who will be making a significant contribution to the BID budget, the average annual levy bill in Beckenham will be just under £603 per hereditament and in Penge the average annual levy bill will be just under £517 per hereditament.

It is important to note that for a BID Proposal to be successful at ballot it must meet two key criteria:

a. More than 50% of votes counted must be in favour

AND

b. More than 50% of the rateable value represented by the vote must be in favour

This means that not only must there be more than 50% of the voters voting in favour, but also those businesses with multiple hereditaments or properties with large rateable values support the BID in the ballot. One-to-one engagement is already under way with managers and potential voters at these higher rateable value organisations to understand their needs and requirements for a BID.

3.23 Should the BID ballot be successful, delivery of the activities outlined in the BID Business Plan would be the responsibility of Beckenham BID and Penge BID. Companies Limited by Guarantee will be set up following a successful BID ballot. A board of Directors for these Companies will be drawn from amongst a range of businesses – large and small – within the BID area. A full list of the current BID Steering Group members will be included in the final BID Business Plan. The Council is expected to have non-voting advisory members on the Board – with one Officer and one Councillor playing this role. These arrangements are to be confirmed as part of the Operating Agreement for the BID.

3.24 The Operating Agreement, a draft of which is included as **APPENDIX 1A and 1B**, will govern how the London Borough of Bromley and the proposed BID will cooperate on the operation of the BID – including how the BID levy will be collected and passed across to each of the BID companies. Included with the Operating Agreement is what is known as the Baseline Agreement which defines the services being delivered by the Council within Beckenham and Penge Town Centres which are expected to continue during the BID term. These will remain the responsibility of the Council but the BID may introduce additional services to enhance the existing baseline – for example additional or specialist cleansing patrols. Further information on the legal aspects of the BID set up is provided in the Legal Implications section below.

## 4. POLICY IMPLICATIONS

4.1 The Beckenham and Penge BIDs fundamental role will be to improve, enhance and promote their respective town centres. Therefore the respective BID Proposals are expected to assist in the Council's ambition to encourage Vibrant Thriving Town Centres. It is therefore recommended that the Council supports the Beckenham and Penge BIDs as the best means of ensuring that these town centres continue to be managed effectively – to enable them to flourish and develop positively into the future, in partnership with the Council.

4.2 The Council's policy of withdrawing Council funded Town Centre Management Services whilst supporting the establishment of BIDs has been the subject of an Equality Impact Assessment (EIA), entitled 'Town Centre proposals and BIDs Development Strategy', undertaken in January 2016 and published on the Council website. The conclusion of the EIA was that the policy has been identified as equality neutral as it will have no adverse impacts on the public or on the businesses based in TCM managed towns or in larger or smaller towncentres in the Borough. This is because the existing Town Centre Management service does not currently offer targeted services aimed at the equalities groups. The establishment of BIDs will improve facilities for both large and small businesses and for all members of the public using Beckenham and Penge Town centres including the equalities groups. Practical experience of BIDs in Bromley and Orpington has shown that they are able to offer a wider range of services to users of their towns than was possible through the Council's Town Centre Management team.

## 5. FINANCIAL IMPLICATIONS

- 5.1 As part of the Council's statutory duty under the BID Regulations, it has to fund the cost of any BID ballot. For the Beckenham and Penge BIDs, this is estimated to be £5k (£2.5k per town). It is also proposed that the Council meets the one-off set up cost for the BID levy collection system for the BID term, which is expected to be £4.5k for both BIDs. In total the ballot and start-up costs for the Beckenham and Penge BIDs will be £9.5k and this has been earmarked from the £110k allocated from the Growth Fund.
- 5.2 The main revenue implication for the Council over the 5 years of the BID, is the liability to pay the BID levy on Council-occupied hereditaments which are located within the BID area. These are listed below – with their rateable value and likely BID levy charge during the first year of operation. Assuming no changes to the Council's occupation of commercial premises the total potential charge to the Council over the five year period for both towns is expected to be £34.5k. This total includes the levy for the 3 Library hereditaments which will become the responsibility of Greenwich Leisure Ltd as the contractor delivering the library service with effect from 1 November 2017. Should both BIDs be established, a contract variation will be drawn up to increase the contract sum by the BID levy payable.

**Table 1** below has details of the levy payable on Council properties within the potential Beckenham BID area, on the basis that £5,000 threshold is applied: -

Council Hereditament	Portfolio	R.V (£)	BID levy in Year One (£)	Estimated 5 year total (£)
Library - Beckenham Road	Environment	41,000	820	4,100
Library - Beckenham Road	Environment	31,750	635	3,175
Car Park - Village Way	Environment	67,500	1,350	6,750
Car Park - Fairfield Road	Environment	26,000	520	2,600
Car Park - St Georges Road	Environment	34,750	695	3,475
Car Park - Dunbar Avenue	Environment	7,000	140	700
Car Park - Lewis House, Beckenham Road	Environment	6,300	126	630
<b>Total</b>		<b>214,300</b>	<b>4,286</b>	<b>21,430</b>

**Table 2** below has details of the levy payable on Council properties within the potential Penge BID area, on the basis that £5,000 threshold is applied: -

Council Hereditament	Portfolio	R.V (£)	BID levy in	Estimated 5 year total (£)
Library - Green Lane	Environment	35,250	705	3,525
Public toilets - High Street*	Environment	7,600	152	760
Car Park - Penge East Station	Environment	12,500	250	1,250
Offices - Croydon Road	Resources	75,500	1510	7,550
<b>Total</b>		<b>130,850</b>	<b>2,617</b>	<b>13,085</b>

**\*NOTE:** The public toilets in Penge High Street are due to go to auction, after which point the Council will no longer be liable for the levy, saving £152 per annum. The totals provided above are therefore a 'worst case scenario'.

- 5.3 The Beckenham BID is expected to generate nearly £188k in the first year of operation and will invest approximately £940k into the town centre in the new 5-year term. The Penge BID is expected to generate nearly £122k in the first year of operation and will invest approximately £610k into the town centre in the new 5-year term. In common with other BIDs there would be future opportunities to generate additional income (for example through sponsorship, trading and grants).
- 5.4 The current controllable budget for Town Centre Management, excluding the BID levy payable for Bromley and Orpington is £153k. Subject to the success of the ballot for the proposed BIDs there would be a potential gross saving of £51k per annum from the TCM revenue fund. This is because there would no longer be a requirement for the Council to fund Town Centre Management activities in Beckenham and Penge after the BID has been established. However, the Council would be liable to pay BID levy of £7k on certain properties, as shown in the tables above, and therefore a net saving of up to £44k per annum could be achieved from 2018/19. This is a lower saving than included in the previous report to Members in July 2016 because a level of staffing would still be required to continue to develop BIDs across the borough.
- 5.5 As a BID can only be established by a secret postal ballot, there is a risk that this will not result in a favourable outcome in one or both towns and in this worst case scenario the potential savings outlined in paragraph 5.4 above would not be realised and the Council's investment in the project would have already been spent or committed. If only one town is successful at ballot this would have an impact on the set up costs for BID levy collection and also the annual fee. These costs are outlined in paragraph 5.1 above.

## 6. LEGAL IMPLICATIONS

- 6.1 Whilst there is no statutory obligation on the Council to establish BIDS there is a statutory process to follow if the decision is made to promote one. These are set out in the Business Improvement District Regulations (England) 2004. This requires approval of the Council be given for a ballot on the proposed BID and this approval is being sought from the Executive Committee. Through this process the Authority is to satisfy itself that the BID Proposal does not conflict with any Council policies or priorities, has been generated in accordance with the BID Regulations and is within its jurisdiction (i.e. the proposed BID boundary falls wholly within the Local Authority's boundary). These are the only criteria on which a Local Authority can reject an application for a BID ballot or veto the outcome of a ballot.
- 6.2 The two BID companies will be responsible for the delivery of the Beckenham and Penge BIDs, and are the entities that will be formally requesting the Council approval to go to ballot for the 5 year term – from April 2018 to March 2023.

- 6.3 Additionally Council Officers have been working with the BID companies to draft and finalise two legal agreements which are required for the formation of each BID, as follows:
- Operating Agreement – The Operating Agreement covers the arrangements for the billing, collection and payment of the BID levy collected to each BID Company. This will place an obligation on the Council to take certain steps to secure payment of the levy and in the event of failure to follow the specified steps to pay the relevant sums to the BID Companies. A draft version of this Agreement is provided in APPENDIX 1A and 1B
  - Baseline Agreement – The Baseline Agreement forms a Schedule to the Operating Agreement and summarises those statutory and standard non-statutory services provided by the Council which may potentially overlap with services to be provided by the BID. This provides reassurance to the BID companies and their levy payers that the levy income is funding additional services, not those currently being provided. The baseline agreement describes the services provided by the Council at this point in time and will not, save to the extent that any services amount to a statutory requirement, constitute a binding commitment on the Council to continue to provide these in the future. A draft version of the Baseline Agreement is included in APPENDIX 1A and 1B.
- 6.4 Should there be a requirement for the BID Companies to take up any other services from the Council, then Legal will draft a further agreement for any additional services which the Council may provide.

## 7. PERSONNEL IMPLICATIONS

- 7.1 Depending upon the outcome of the BID Ballot any staffing implications arising from the establishment of the BID would be dealt with in accordance with the Council's Managing Change procedures. Staff and their representatives would be fully consulted.

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	BUSINESS IMPROVEMENT DISTRICT STRATEGY FOR TOWN CENTRES (Report No. DRR16/050)