

Decision Maker: RENEWAL, RECREATION AND HOUSING POLICY
DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Tuesday 22 January 2019

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

Title: BECKENHAM AND PENGE BUSINESS IMPROVEMENT
DISTRICT (BID) UPDATE

Contact Officer: Lorraine McQuillan, Town Centres & BID Development Manager
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Chief Officer: Colin Brand, Director of Regeneration

Ward: Clock House; Copers Cope; Kelsey and Eden Park; Penge and Cator;

1. Reason for report

This report updates Members on the progress to date of the Business Improvement District (BIDs) in Beckenham and Penge Town Centres since the successful outcome of the BID ballot in March 2018.

2. **RECOMMENDATION(S)**

Members of the Renewal, Recreation and Housing PDS Committee note the update on progress to date of the BIDs in Beckenham and Penge Town Centres.

Impact on Vulnerable Adults and Children

1. Summary of Impact:
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Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Penge and Beckenham Town Centres
 4. Total current budget for this head: £7,080
 5. Source of funding: Existing revenue budget for 2018/19
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Personnel

1. Number of staff (current and additional): 0
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable:
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Procurement

1. Summary of Procurement Implications: n/a
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Businesses within Beckenham BID area circa 305. Businesses within Penge BID area circa 237.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 Following the successful outcome of the ballot to establish a BID in Beckenham and Penge Town Centres, this report provides an update on the progress to date. Background is also provided on BIDs in general and specifically those located in the borough.

Background

3.2 A Business Improvement District (BID) is now a tried and tested model to deliver sustainable investment in a defined area, through a levy of rateable business properties - based on typically 1-2% of rateable values. There are now over 300 formal BIDs in operation in the UK and Republic of Ireland – the majority of which are retail-led and focussed on town centres and over 60 of which are into a second, or even third term. BIDs can only be established or renewed after a majority of ratepayers vote in favour in an official postal ballot (operated under conditions similar to a political election). Once a BID is established or renewed the occupiers of any eligible property must by law pay the levy annually for the term of the BID (usually 5 years). BIDs can deliver any projects or services that are agreed by the relevant businesses and are in addition to services the Public Sector already provides. BIDs deliver the following business benefits:

- BID levy money is ring-fenced for use only in the BID area.
- Businesses decide and direct what they want for the area.
- Business cost reduction, for example reduced crime and joint procurement.
- Help in dealings with Local Councils, the Police and other public bodies.
- Increased footfall and staff retention.
- Place promotion and place shaping
- Facilitated networking opportunities with neighbouring businesses.

3.3 Locally within the London Borough of Bromley the Orpington 1st BID was established in 2013 and the Your Bromley BID was established in 2016 in Bromley Town Centre. Orpington 1st BID's initial term of five years was successfully renewed in 2018 and is now in their second term delivering the Business Plan covering 2018-2023. Over the five year term of the BID Orpington is expected to benefit from the investment of over £1m and in Bromley over £3m, this includes sources other than the BID levy. The themes for both BIDs are based solidly on the expressed needs of the local businesses. Further information can be found on the BID websites www.orpington1st.co.uk and www.bromleybid.com.

3.4 Following initial BID feasibility work in Beckenham and Penge Town Centres in June 2016, Central Management Solutions (CMS) were appointed to undertake the work involved in developing and establishing BIDs in these town centres. The Beckenham and Penge BID Steering Groups were established in Spring 2017 to harness the enthusiasm and commitment of business people representing both large and small enterprises and encompassing retail, leisure and office sectors.

3.5 Once established these BID Steering Groups prepared a Business Plan outlining the projects the businesses would like the BID to deliver. This Business Plan was voted on by businesses in February 2018 with both BIDs being announced as successful on 1st March 2018. Over the five year term of the BIDs Beckenham is expected to benefit from the investment of over £940k and in Penge over £600k. Further information can be found in the Business Plans for Beckenham and Penge BIDs included as **Appendix 1A** and **Appendix 1B** and on the BID websites www.beckenhamtogether.co.uk and www.pengese20.co.uk.

3.6 Since March 2018 a Board of Directors has been formed for each BID representing businesses from various sectors and geographic areas of the BID. Each BID has set up a company limited by guarantee and agreed a year 1 delivery plan and detailed budget. A BID Manager for

Beckenham and Penge was appointed in September who is splitting their time evenly between the two BIDs.

3.7 Since September the BID Manager has been delivering a number of projects within the Business Plan and will be attendance at the Renewal, Recreation and Housing PDS Committee meeting on 22nd January 2019 to provide a verbal update on these projects.

4. POLICY IMPLICATIONS

4.1 The Beckenham and Penge BIDs fundamental role is to improve, enhance and promote their respective town centres assisting with the Council’s ambition to encourage Vibrant Thriving Town Centres.

5. FINANCIAL IMPLICATIONS

5.1 The Council are liable to pay the BID levy on the following properties within the Beckenham BID area:

Council Hereditament	BID Levy in Year 1 £	Estimated 5 Year Total £
Car Park - Village Way	1,810	9,050
Car Park - Fairfield Road	1,180	5,900
Car Park - St Georges Road	1,160	5,800
Car Park - Lewis House, Beckenham Road	166	830
	4,316	21,580

5.2 The Council are liable to pay the BID levy on the following properties within the Penge BID area:

Council Hereditament	BID Levy in Year 1 £	Estimated 5 Year Total £
Toilets - High Street*	132	660
Car Park - Penge East Station	335	1,675
Offices - Croydon Road	2,300	11,500
	2,767	13,835

***NOTE:** The public toilets in Penge High Street have now been sold and therefore going forward the Council will no longer be liable for the levy, saving £132 per annum.

5.3 Over the five year term of the BIDs, Beckenham is expected to benefit from the investment of over £940k and Penge over £600k.

5.4 The Council pays a sum of £12,690 per annum to Liberata, to implement and administer the Penge and Beckenham Bid Levy. This is fully recovered from the BIDs so there is no net cost to the Council.

6. LEGAL IMPLICATIONS

- 6.1 Business Improvement Districts (BIDs) were introduced by Part 4 of the Local Government Act 2003 (LGA 2003).
- 6.2 Their establishment, enforcement and operation is regulated by the LGA 2003 and the Business Improvement Districts (England) Regulations 2004 (SI 2004/2443) as amended
- 6.3 As explained in the report the BID process was completed and the Beckenham and Penge BIDS have formally become operational through their respective BID Companies. This report is providing members with an update and as such there would not appear to be any legal considerations at this juncture. By way of background to conclude the BID process the Council entered into an Operating Agreement and Baseline Statement with each BID Company. For the Beckenham BID the Agreement was entered into with Beckenham Together Limited on the 2nd August 2018 with an expiry date of the 31st March 2023 and for the Penge BID the Agreement was entered into with Penge SE20 BID Limited on the 4th October 2018 with an expiry date of the 31st March 2023.
- 6.4 The Operating Agreement covers the arrangements for the billing, collection and payment of the BID levy. The BID levy is collected by the Council on behalf of the BID Company. This places 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 Company itself. The Baseline Statement 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 company and levy payers that the levy income is funding additional services, not those currently being provided. The baseline statement 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
- 6.5. Collection of the BID levy is enforceable in the same way as non-domestic rates.

Non-Applicable Sections:	IMPACT ON VULNERABLE ADULTS AND CHILDREN, PERSONNEL IMPLICATIONS, PROCUREMENT IMPLICATIONS
Background Documents: (Access via Contact Officer)	BECKENHAM AND PENGE BUSINESS IMPROVEMENT (BID) PROPOSAL FOR 2018/2023 (Report No. DRR17/051) Wednesday 1 st November 2017 BUSINESS IMPROVEMENT DISTRICT STRATEGY FOR TOWN CENTRES (Report no DRR16/050) Tuesday 5 th July 2016