

Decision Maker: Renewal and Recreation Portfolio Holder, for pre-decision scrutiny by the Renewal and Recreation PDS Committee

Date: 12 April 2011

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

Title: CHRISTMAS LIGHTS POLICY 2011

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Chief Officer: Marc Hume, Director of Renewal and Recreation

Ward: Borough-wide

1. Reason for report

- 1.1 This report reports on the results of a review of Christmas Lights undertaken by the Town Centre Management and Business Support section and sets out some options for Members to consider for the Council's approach in 2011.
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2. **RECOMMENDATION(S)**

The Renewal and Recreation PDS Committee members are asked to:

- 2.1 Note and comment upon the proposals outlined below.

The Renewal and Recreation Portfolio Holder is asked to:

- 2.2 Agree the preferred option of the three set out in paragraph 3.11.
- 2.3 Agree the proposed policy for donations to smaller town Christmas lights schemes as outlined in paragraphs 3.12 to 3.14.

Corporate Policy

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

1. Cost of proposal: Estimated cost Depending upon option chosen:
Option 1 £44,500
Option 2 £10,210
Option 3 Up to a maximum of £44,500
Option 4 £83,700
 2. Ongoing costs: Non-recurring cost.
 3. Budget head/performance centre: Town Centre Management Portfolio Fund and Renewal and Recreation Portfolio Initiative Fund
 4. Total current budget for this head: £78,800 and £100,910
 5. Source of funding: Existing revenue budget for 2011/12 and £53k carry forward request which is subject to Executive approval
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Staff

1. Number of staff (current and additional): 4
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 2,000 town centre businesses, plus residents using town centres.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 The Town Centre Management team is responsible for working with businesses and other partners to help maintain and enhance the competitiveness, attractiveness and vibrancy of the borough's town centres. Part of this role includes arranging Christmas Lights, Trees and associated promotions designed to encourage more shoppers and visitors to our high streets at what is a critical time of year for many local retailers and service businesses.

Christmas Lights 2010

3.2 In 2010/11 a total of £78,770 was agreed by Members to cover supply, installation and removal of lights in Bromley, Orpington, Beckenham and Penge and to cover donations to assist with lights in a number of smaller town centres. In addition a sum of £5000 was allocated to pay for 5 Christmas trees (installed in Bromley (2), Orpington (1) and Beckenham (2)). The breakdown of expenditure by the Council on Lights and Trees was as follows:

Town	Amount of LBB contribution	% of total cost of lights
Bromley	£39,050	99%
Orpington	£10,770	86%
Beckenham	£10,270	90%
Penge	£5,770	78%
Biggin Hill	£1,430	48% (estimated)
Chislehurst (including High Street / Belmont Parade and Royal Parade)	£2,760	49% (estimated)
Hayes	£1,130	36% (estimated)
Petts Wood	£2,130	61% (estimated)
Farnborough	£1,130	38% (estimated)
West Wickham	£1,630	22% (estimated)
Incidental expenses	£2,630	
Sub total Lights	£78,700	
Christmas Trees (in 3 towns)	£5,000	
GrandTotal	£83,700	

3.3 There was a similar overall level of investment by the Council in Christmas lights in the previous year. In the main town centres a very small proportion of the costs were covered by donations or sponsorship from local businesses, whereas in the smaller towns generally the majority of the costs are covered by donations from businesses and residents – with only a relatively small donation being made by the Council.

3.4 A survey of neighbouring local authorities shows that there was a wide range of approaches to Christmas lights in 2010, with some authorities not paying directly for any lights schemes – for example in Croydon the Christmas lights which did go ahead were paid for by the businesses (e.g. in Croydon town centre through the BID) or by a mixture of residents and businesses (e.g. Purley). Most other authorities did make some contribution to lights – whether this was paying for one town (e.g. Bexley paid for the lights only in Bexleyheath) or several main towns (e.g. Sutton covered the cost in 5 main centres). In the case of

Greenwich the lights themselves had been purchased a few years ago and the Council paid for the cost of installation and de-installation in the main town centres.

Results of Consultation with Businesses

- 3.5 Against the background of financial retrenchment, the Town Centre Managers have engaged with businesses to obtain their views on increased contributions from the business community for the lights schemes (including Christmas trees). In January 2011 over 2000 letters were sent to businesses based in Bromley, Orpington, Beckenham and Penge town centres. The letter made the case that the Council was no longer financially in a position to fund the lights to the same level as previous years and offered a number of possible sponsorship options. Town Centre Managers also followed the letter up with visits and telephone calls to key businesses.
- 3.6 The results of the consultation exercise have been disappointing – with only 50 businesses responding (2.5% response rate). Of those responding, 32 said they would wish to contribute financially (although many did not specify a sum), 8 said they would not wish to contribute and another 7 referred us to their head offices for a decision. Of those saying they would be willing to contribute, generally quite small sums were promised so that the total sum promised by all the businesses responding positively came to £2065, which is about £65 per business.
- 3.7 Although two thirds of those responding did show a willingness to contribute, the very low response rate means that it is unsafe to extrapolate from this result to the whole population of businesses in the four main town centres. It would therefore be safest for us to assume that the vast majority of businesses in the towns would not currently be willing to contribute directly to the 2011 Christmas Lights schemes.
- 3.8 In addition to the letter, Town Centre Managers made a direct approach to a number of key occupiers in their town centres. In many cases it has been difficult to get hold of appropriate decision makers for many of the national chains, as most of these are based in head offices. A number of these chains have responded positively but with many have only promised quite small amounts – or not specified the amount. A number of larger players such as Sainsbury's and Boots as a policy prefer not to contribute directly to Christmas lights, but are open to provide core funding – an opportunity which is being pursued by the Town Centre Managers. It is noted with regret that none of the larger shopping centres in the borough have come forward with offers of funding for Christmas lights and the consultation has not elicited any promises of significant funding from any key occupiers.
- 3.9 If calculating possible contributions by businesses to the lights we also should take into account the probability of contributions from the Penge Traders Association and Orpington Business Forum and Beckenham Business Association towards schemes in their towns – hopefully on the same level as in 2010 which amounted to around £1,200 each.
- 3.10 Based on the research and engagement undertaken, we would not expect more than the following contributions from the business community for each of the following towns:
- Bromley - £700
 - Orpington - £1,650
 - Beckenham - £750
 - Penge - £1375

Suggested Policies

- 3.11 In the light of the results of this consultation exercise there are 3 possible courses of action open to the Council in respect of Christmas Lights. These are summarised below:

OPTION 1

- 3.11.1 Maintain the level of funding as agreed by Members at the February Renewal & Recreation PDS (i.e. £42,000 for lights and £2,500 for trees), regardless of the level of funding from businesses and other third parties, and procure significantly lower impact schemes. The displays would involve fewer lights and a less varied range of designs. It may be that a town display would consist only of a strategically placed Christmas Tree with associated lights and decorations. This reduced level of display would be especially noticeable in the four main towns – where the Council pays the majority of the costs. Keeping the Council's level of investment at the agreed level of £44,500 would not preclude the possibility of the Council recouping some of this outlay through contributions from the businesses – probably on the level suggested in 3.10 above.

OPTION 2

- 3.11.2 Reduce Council funding for the main town's schemes to zero but maintain a similar level of donations to the smaller towns as in previous years. The overall budget for donations to smaller towns would be maintained at 2010/11 level (i.e. £10,210) since local businesses and residents already contribute a much higher proportion of the money to these schemes and we would expect this situation to continue. However the question of which of the small towns will receive support and the individual level of support to each town has been reviewed – and this is covered in more detail in paragraphs 3.12 to 3.14, below.
- 3.11.3 Option 2 would mean that unless businesses and / or community groups in the four main towns come forward to fund the light these four town centres would not have any Christmas Lights during the festive season in 2011. The implications of this approach are that it shows that the Council is serious about expecting other stakeholders to carry a fair share of the burden for town centres in the light of the current financial conditions and cuts to other Council services. However, there is a risk of negative publicity and a backlash from residents in the wards affected. The policy will certainly reduce the attractiveness of the town centres at an important time of the year for the retail, pub and restaurant sectors – which between them employ nearly 19,000 people in the borough (18.7% of total employment). For this reason a variation on this approach is suggested, as follows:

OPTION 3

- 3.11.4 A variation on Option 2 is for the Council to also offer to match fund on a 50% basis, any community or business-led Lights and Trees initiative in the 4 main towns. This would have to be subject to a cap – for example the Council's commitment should not be more than half the value of what was spent on lights and trees in each of these towns in 2010 – and the money available under this option should be no more than the £34,290 available for these towns (the remainder being dedicated to the smaller towns). There would need to be a strict timetable for groups to bring 'bids' for lights funding to the attention of the Council to ensure there is sufficient time for a full procurement process. Town Centre Managers would play an active role in encouraging and assisting businesses to organise themselves to develop bids for lights funding.

- 3.11.5 This would send out the same message to the business community, namely that if they value Christmas Lights, they need to contribute more towards them, but would also enable the Council to play a part as a significant partner. It may also help to ensure that any lights schemes are better funded and therefore more likely to be successful. However, there is still a risk that businesses in these town will not 'rise to the occasion' and the towns will be left without Christmas Lights in 2011 – with the attendant implications as outlined in 3.10.3 above. The overall budget for donations to smaller towns would be £10,210 as outlined in 3.11.2 resulting in a total maximum cost for Option 3 of £44,500.

OPTION 4

- 3.11.6 Keep Council funding for Christmas Lights and Trees at the same level as 2010 – i.e. £83,700. This would enable us to maintain the same level of high quality displays in the town centres as occurred in previous years. However, only £44,500 was agreed by the Portfolio Holder for Christmas Lights and Trees following the February 2011 PDS meeting, so additional funds would need to be found. One option would be to divert monies from the Town Centre Events fund which was also agreed by Members in February, but also request additional funding from the Renewal and Recreation Portfolio Initiative Fund.
- 3.11.7 A budget of £16,000 has been allocated towards Christmas-related town centre events in 2011 (including support for those in smaller centres such as Chislehurst). Assuming there is no Council funding for these and this money was diverted to Christmas lights there would still be £23,200 to find. If Members were minded to support this option, it is suggested that this additional sum is vired from the Portfolio Fund (which has a balance of £100,910 for 2011/12).
- 3.11.8 The advantage of this option is that the Christmas Lights and Trees displays in the main towns will be maintained to the same level as previous years. The disadvantage is that all the Christmas events would have to be cancelled (or be funded wholly by donations). However, a potentially more serious consequence of Option 3 is that the Council will be viewed as not being serious about making savings across all areas of expenditure – and may be seen as back-tracking on the messages sent out to businesses through the consultation, namely that the businesses and other stakeholders need to carry more of the burden for promoting and improving our town centres.

4. POLICY IMPLICATIONS

- 4.1 Christmas Lights schemes are aimed specifically at enhancing the vitality of town centres across the borough and as such contribute to the Building a Better Bromley key priority of Vibrant, Thriving Town Centres.

5. FINANCIAL IMPLICATIONS

5.1 The financial implications of this report will be dependent upon which of the 4 options is chosen. These are set out below: -

Christmas Lights 2011 Options: Financial Implications

Option	Cost of Proposal £	Additional funds required £	Source of Funding
1	44,500	None	Existing TCM Portfolio Initiative Fund as agreed at 15/2/11 PDS plus carry forward of £53k
2	10,200	None	As above
3	44,500	None	As above
4	83,700	£23,200 plus £16k from Christmas related events	As above plus £16,000 diverted from TCM Portfolio Christmas events and virement of £23,200 from the R & R Portfolio Initiative Fund budget 2011/12

5.2 It should be noted that the events and activities including £44,500 towards Christmas lights and trees that were agreed at the February PDS meeting was dependent on the Executive agreeing the carry forward of the under spend of £53,400 from the Portfolio Initiative Fund for 2010/11.

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	Renewal & Recreation Portfolio Initiatives Fund 2011/12 report, 15 Feb 2011 (DRR11/006)