

Cabinet Member Delegated Decision

Decision Due 14th October 2016

Report title Vauxhall One Business Improvement District Renewal Proposal

Wards: Oval, Prince's, Bishop's

Report Authorised by: Sue Foster, Strategic Director Neighbourhoods and Growth

Portfolio: Councillor Jack Hopkins, Cabinet Member Regeneration, Business and Culture

Contact for enquiries:

Nathan Vasey, Small Business and Enterprise Officer, Investment and Growth,
nvasey@lambeth.gov.uk / 020 7926 3343

Report summary

On the 20th October 2016, the council will formally receive a request from the Vauxhall One Business Improvement District (BID) to hold a renewal ballot for the BIDs second term. This report sets out the process described in the Business Improvement Districts (England) Regulations 2004 (as amended 2013), which the BID and the council have to follow for the BID to have another term. It then describes the Vauxhall One BID proposals, which have been developed closely with local businesses and council service portfolios and reflect the good working relationship between the BID and the council.

The council is not required to formally agree any BID proposal; rather it can only veto BID proposals if they are contrary to formally adopted and published council policy. The Vauxhall One BID proposal is in line with council policies and priorities and so this report recommends that the council formally endorses it and instructs the Returning Officer to hold a renewal ballot on the BIDs behalf.

It is then recommended that the council votes positively in the BID ballot as a sign of further commitment to the BID and agrees to pay any BID levy in relation to premises within the BID boundary

The Cabinet Member for Regeneration, Business and Culture is responsible for BIDs and is asked to agree the recommendations in the report.

Finance summary

The cost to the council of holding the ballot for the BID is estimated at £3,750 which can be met from existing budgets. The Business Improvement Districts (England) Regulations 2004 require the council to pay for the ballot, which is only recoverable in the event of a very low turnout of votes that results in a defeat for the BID proposal.

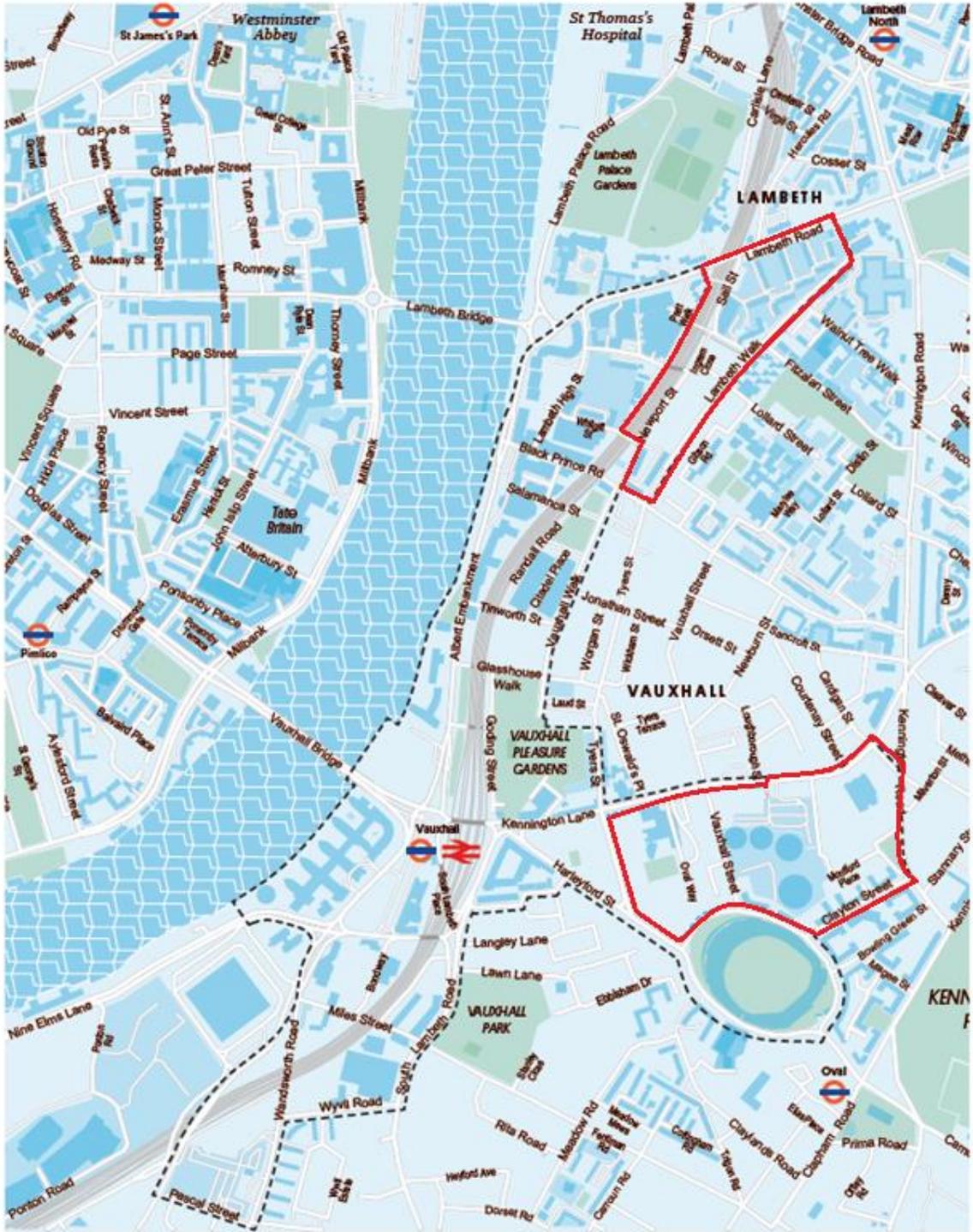
If the BID is successful at ballot, the council is liable for a BID levy on three properties which equates to £28,618.20 per annum based on 2016/17 ratings data.

Recommendations

Please note that the following recommendations are in order of occurrence, with each following on from the previous.

- (1) To endorse the BID proposal submitted by Vauxhall One
- (2) To request the Chief Executive as Returning Officer and “Ballot Holder” to hold a ballot for Vauxhall One, at an estimated cost of £3,750.
- (3) To agree that the council will pay any BID levy due in relation to properties within the BID area (£28,618.20 for 2016/17)
- (4) To authorise the Strategic Director Corporate Resources to complete the ballot paper on behalf of the council in favour of the BID proposal.
- (5) To authorise the Head of Legal Services to complete the necessary legal agreements required for the operation of the BID Levy, Ballot and service arrangements and any other necessary matters for the proposed BID in consultation with the appropriate officers.

Map showing proposed area of Vauxhall One BID



BID Boundary Map

- Existing BID Boundary
- Proposed BID extension areas

1. Context

- 1.1 The Vauxhall One Business Improvement District ('the BID') was first established in February 2012 and is now coming to the end of its first five year term. During its first term, the BID has benefited from over £720,000 per annum in levy income in addition to attracting further grant funding.
- 1.2 On 28th July 2016, the BID submitted a 'Notification of intention to submit a BID renewal for ballot' to the Secretary of State; in accordance with the 2004 BID Regulations. Following this notification, the BID must allow 84 days before requesting the council to hold the ballot. The BID will formally request the ballot on the first possible day (20th October 2016). In advance of this request, the BID has submitted final proposal documents, evidence of consultation with businesses and details of financial management arrangements in order for the council to make the necessary decisions in advance.
- 1.3 The council is statutorily bound to consider its proposal and hold a ballot of their businesses on its behalf. BIDs can continue for an unlimited number of terms, providing they are successful in their ballots.
- 1.4 The process by which a prospective BID seeks to become formally established or renewed is set out below in accordance with the 2004 BID Regulations (as amended by the 2013 Regulations to allow for cross boundary BIDs):
 - Formal notification to the local authorities and Secretary of State
 - Request to the lead local authority to hold a ballot, which must be accompanied by:
 - A copy of the BID proposals;
 - A summary of the consultation it has undertaken with those liable for the BID levy;
 - The proposed business plan with estimates of cash flow, revenue and expenditure, the predicted budget and the contingency margin included in the budget;
 - The financial management arrangements for the BID body and the arrangements for periodically providing information to the council on the finances of the BID; and
 - Information to satisfy the council that it has sufficient funds to meet the costs of the ballot in case the BID is required to meet the ballot costs.
 - The council must consider whether the BID proposal conflicts with any formally adopted and published policy and whether they are likely to be a significantly disproportionate financial burden on any person or class of persons (as compared to the other non-domestic ratepayers in the geographical area of the BID).
- 1.5 If the council is satisfied that the information provided by the BID body meets the requirements of the legislation, the council must instruct the ballot holder to hold the ballot. The ballot holder for the council is the Chief Executive in his capacity as the Electoral Registration Officer / Returning Officer.
- 1.6 The regulations state that the council has until 14 days after the day of ballot in which to notify the BID Proposer if they want to veto the BID Proposals. However, the Regulations also state that the local authority should notify the BID Proposer "as soon as reasonably

practical” after receiving the BID proposal to explain its concerns. Given the unobjectionable nature of the proposals, it is considered that the council should formally decide as part of this report that it does not wish to veto the BID proposals, unless they are substantially changed after this report is agreed.

2. Proposal and Reasons

2.1 The BID formally submitted final proposal documents on Thursday 22nd September 2016. The proposed BID area incorporates a slightly wider area than the current BID. The proposed area is identified in the map above (with commentary in paragraphs 2.12-16 below). This section of the report summarises the BID’s proposals and concludes that they accord with much of the council’s proposals for the area and Lambeth’s corporate objectives more generally and that the BID should be positively supported.

2.2 The BID levy

The BID proposal sets a 1.56% BID levy on all hereditaments with a rateable value of £20,000 or more. Hereditaments with a rateable value of under £20,000 will not pay the levy and will therefore not get a vote.

2.3 The BID proposal outlines that if, as a result of business rates re-evaluation, a hereditaments rateable value becomes more than £20,000 at any time during the BID term, the owner or occupier will become eligible for the BID levy.

2.4 The BID proposal identifies that where hereditaments are unoccupied at the time of the notice of ballot, the owner will be entitled to vote in the BID ballot. The BID levy payer in cases of unoccupied hereditaments will be the owner of the whole of the hereditament and the BID levy will be discounted by 50%. No three-month ‘void’ period will be given and those hereditaments which are exempt from empty property rates will not be exempt from the BID levy.

2.5 The council currently occupies three properties within the area (Phoenix House, Hayman Point and 323-329 Kennington Lane) for which the BID levy is currently paid and for which it would be liable for a BID levy of £28,618.20 based on 2016/17 ratings data.

2.6 It should be noted that due to a national revaluation of business rates, the rateable value of properties is expected to rise. This may result in the cost of the BID levy to the council increasing, however we are unable to predict to what extent this may be at present.

2.7 There are no additional properties for which Lambeth will be liable to pay BID levy on within the proposed BID boundary extension.

2.8 The BID’s Priorities

The BID proposal sets out seven areas of activity:

- a) Influencing public realm**
- b) Cultural destination**
- c) Safer**
- d) Cleaner**
- e) Greener**
- f) Better for business**
- g) Together**

Further details on the proposed activities under these areas are set out below.

a) Influencing public realm

The BID acknowledges the huge benefits which will be brought by new developments within the area and supports the establishment of a more defined Vauxhall district centre, enabled by the planned removal of the gyratory system and improved transport links. However, it is recognised that the BID needs to work with businesses to mitigate disturbances throughout these developments. The BID proposes to do this by keeping businesses informed of works; working with partners to improve safety for pedestrians; creating better signage for businesses; and increased green space.

b) Cultural destination

The BID would work to cement Vauxhall as a leading cultural destination within London, achieving this by developing Vauxhall's reputation as a cultural destination and building on the growing Vauxhall Gallery District; and coordinating a programme of events.

The proposal identifies that it will work in partnership with the council and Network Rail to influence new developments and the incoming tenants of commercial space; working to attract new gallery space, creative and digital industries and high quality retail space.

c) Safer

The BID would work to make Vauxhall a safer place by providing additional lighting in pedestrian areas; providing solutions for businesses in regards to anti-social behaviour; and creating a safer environment for employees as they travel to and from Vauxhall.

d) Cleaner

The BID would continue to provide free recycling and additional street cleaning as well as deep cleans of major pedestrian tunnels; regular cleansing of the railroad viaduct; jet washing of the central Vauxhall area; and improvements to the Kennington lane footbridge.

e) Greener

The BID would deliver stage three of the Greening Vauxhall Walk project, completing the link from the Vauxhall Pleasure Gardens to Newport Street. In addition, the BID will install green walls and new planting areas and work with the local community to enhance the areas existing parks and green spaces.

f) Better for business

The BID would continue to have an economic development focus by; encouraging start-up businesses, supporting the development of markets, extending the current offer of the Small Business Club, offering discounted training and hosting networking events.

g) Together

The BID would increase connections between the businesses and community through; offering, encouraging and facilitating work placements, apprenticeships and mentoring opportunities, working with BID members to support local community and charitable organisations and creating a platform for CSR opportunities.

- 2.9 Officers at the council have worked closely with the BID to influence and refine the final proposal. This has led to a welcomed commitment from the BID to work with the council more broadly on encouraging higher value jobs, particularly in the creative and cultural industries, in line with the 'Future Lambeth' plan.
- 2.10 The BID proposal states "*The arrival of new developments, a re-worked gyratory system and improved transport interchange will all greatly benefit the area*". This formal support for the intention to remove the gyratory is welcomed. Officers will continue to work with the BID, and the NEV Strategic Partnership, to transform Vauxhall into a thriving district centre.
- 2.11 Overall, the proposed investment in the activities outlined by the BID proposal is to be welcomed and supported as they align with the council's priorities and policies. It is therefore recommended that the Council endorses the BID Proposal.

The Proposed BID Area

- 2.12 The BID is proposing an extension to the current area which has been covered by the BID since 2012. The proposed new boundary will include an area north of the Oval cricket ground (including the Oval and Kennington Development Area (OAKDA)) and another area north of the current BID boundary (including Lambeth Walk and Newport Street) These areas are identified in red on the BID boundary map on page 3.
- 2.13 The inclusion of these new areas, and additional businesses within them, will allow the BID to extend a number of their successful services to these areas. Services which will be extended include additional street cleaning and graffiti removal
- 2.14 The OAKDA is of strategic importance to Vauxhall, and through inclusion in the BID boundary it will enable to the BID to benefit from and work to enhance the proposed developments here.
- 2.15 One of the BID's main priorities is to enhance Vauxhall's reputation as a cultural destination, and by including the streets currently north of the BID (including Newport Street) this will enable the BID to draw on existing cultural assets such as the Newport Street Gallery.
- 2.16 Officers agree that the extension to the BID boundary is justified and welcomed. It will enable successful BID services to be extended and will allow the BID to benefit from key developments and opportunities within Vauxhall.

Ballot Timetable

- 2.17 The BID ballot process is scheduled to begin on 24th October 2016. The following table outlines the ballot timeline (as agreed with Electoral Services):

Item	Date
Start of ballot process	24-Oct-16
Notice of ballot issued	24-Oct-16
Ballot papers sent by post	14-Nov-16
Ballot date / deadline	12-Dec-16 (5pm)

Governance Arrangements

- 2.18 The BID company has, and will continue to have, a Board of Directors made up of representatives from the businesses within the BID area. The council will have representatives from both Members and Officers who will all have Observer status.

3. Finance

- 3.1 The services provided by the BID will be integrated with services provided by the council. These will not cause additional cost to the council.
- 3.2 The cost of holding the ballot for the BID is £3,750 and this can be met from existing budgets. The Business Improvement Districts (England) Regulations 2004 require the Council to pay for the ballot, which is only recoverable in the event of a very low turnout of votes and an unsuccessful ballot.
- 3.3 The council is responsible for collecting the BID levy into a ring fenced BID fund before passing it over to the BID. The council's contractor collects the levy and passes it onto the BID, for which each BID pays an annual fee to the council's contractor.
- 3.4 The council occupies three properties within the area (Phoenix House, Hayman Point and 323-329 Kennington Lane) for which the BID levy is currently paid and for which it would be liable for a BID levy of £28,618.20 based on 2016/17 ratings data.
- 3.5 It should be noted that due to a national revaluation of business rates, the rateable value of properties is expected to rise. This may result in the cost of the BID levy to the council increasing.
- 3.6 Under the rules that the ballot is run under as set out in the BID Regulations, the council will be eligible to vote in the BID ballot because of the premises identified above. Therefore it is recommended that the Strategic Director, Corporate Resources be authorised to complete the ballot paper on behalf of the council in favour of the BID.

4. Legal and Democracy

- 4.1 Legal agreements between the council and the BID will need to be drawn up to cover:
- the BID levy collection;

- the service specification for cleansing and highways services which the council will continue to deliver throughout the BID period, subject to periodic review and consultation with the BID;
- 4.2 The council is entitled to veto the BID proposals under Regulation 12 of the 2004 Regulations if it is of the opinion the BID arrangements are likely —
- (a) To conflict to a material extent with any policy formally adopted by and contained in a document published by the council (whether or not the council is under a statutory duty to prepare such document); or
 - (b) To be a significantly disproportionate financial burden on any person or class of persons (as compared to the other non-domestic ratepayers in the geographical area of the BID) and —
 - (i) That burden is caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and
 - (ii) That burden is inequitable.
- 4.3 The recommendations in this report are in accordance with the provisions of the Business Improvement Districts Regulations 2004 (as amended).
- 4.4 This proposed key decision was entered in the Forward Plan on 8 September 2016 and the necessary 28 clear days' notice has been given. If the recommendations within this report are approved by the Cabinet Member for Regeneration, Business and Culture, a further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

- 5.1 Internal consultation has been conducted with colleagues in Finance, Democratic Services and Legal.
- 5.2 The BID have provided the council with details their consultation on the BID proposal. The consultation has included:
- An extensive survey of BID member businesses, consulting with approximately 400 employees. Results identified a demand for improved pathways for pedestrians, additional green spaces and more shopping/ leisure facilities.
 - All BID member businesses were consulted in June 2016. Feedback endorsed the strategic plan for focus on improving public realm, creating a vibrant cultural destination and continued cleaning, greening and safety improvement works.
 - During July and August 2016, the BID has engaged with over 120 local community groups to develop opportunities for sustainable and valuable business-community partnerships.

6. Risk management

- 6.1 The BID proposal complies with the legal requirements and is not contrary to council policy.

7. Equalities impact assessment

- 7.1 The BID Proposal has been drawn up to reflect the needs of its constituent businesses and all affected businesses have been engaged as part of this process. All liable businesses are able to take part in a democratic ballot and so this report does not give rise to any inequalities.

8. Community safety

- 8.1 This report raises no community safety implications. The proposed activities of the BID should lead to an improvement in safety in the Vauxhall area.

9. Organisational implications

- 9.1 None.

10. Timetable for implementation

Date	Activity
14 October 2016	Decision made on report
20 October 2016	The BID will formally request the council to hold a renewal ballot
24 October 2016	Call in period ends
24 October 2016	Instruction made to hold renewal ballot
24 October 2016	Formal Notice of Ballot published
14 November 2016	Ballot papers despatched
12 December 2016 (5pm)	Ballot deadline (5pm)
12 December 2016	Declaration of ballot result
1 April 2017	New Vauxhall One BID term starts (assuming successful ballot result)

Audit trail				
Consultation				
Name/Position	Lambeth directorate/division or partner	Date Sent	Date Received	Comments in para:
Sandra Roebuck	Assistant Director, Investment and Growth	29.09.16	29.09.16	2.8 a) re-wording to reflect the BID's commitment to supporting developments in Vauxhall
Sue Foster	Strategic Director, Neighbourhoods and Growth	29.09.16	03.10.16	Map – boundary extension area highlighted. 2.12-16 Additional information on the boundary extension.
Dawn Redpath	Head of Economic Inclusion	29.09.16	29.09.16	
Andrew Ramsden	Head of Finance	29.09.16	06.10.16	
Greg Carson, Legal Services	Corporate Resource	29.09.16	06.10.16	4.3
Maria Burton, Democratic Services	Corporate Resources: Corporate Affairs	29.09.16	30.09.16	4.5
Councillor Jack Hopkins	Cabinet Member: Jobs and Growth	29.09.16	30.09.16	

Report history	
Original discussion with Cabinet Member	9 th September 2016
Report deadline	N/A
Date final report sent	N/A
Report no.	N/A
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	09.09.16
Key decision reasons	3. Meets community impact test
Background information	The Business Improvement Districts (England) Regulations 2004 The Business Improvement Districts (England) (Amendment) Regulations 2013
Appendices	None

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature _____ **Date** _____

Post Nathan Vasey, Small Business and Enterprise Officer, Investment and Growth

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature _____ **Date** _____

Post Councillor Jack Hopkins, Cabinet Member, Regeneration, Business and Culture

Any declarations of interest (or exemptions granted):

Issue

Interest declared