

Cabinet Member Delegated Decision – 22 November 2018

Report title This is Clapham Business Improvement District Renewal Proposal

Wards: Larkhall, Ferndale, Clapham Town, Clapham Common

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

Portfolio: Councillor Matthew Bennett, Cabinet Member for Planning, Investment and New Homes

Contact for enquiries: Nathan Vasey, Creative Enterprise Zone Programme Manager, Business, Culture and Investment; nvasey@lambeth.gov.uk; 07577 419 807

Report summary

The council has formally received a request from the This is Clapham Business Improvement District (BID) to hold a renewal ballot for the BID's 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. It then describes the This is Clapham BID proposals, which have been developed closely with local businesses and 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. This is Clapham's BID proposal is in line with council policies and priorities and so this report recommends that the council formally endorses it and requests the Returning Officer to hold a renewal ballot on the BID's 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 Planning, Investment and New Homes is responsible for BIDs and is asked to agree the recommendations in the report.

InStreatham BID and Brixton BID have both been successful at rebalot during 2018, with strong business turnout and large majorities voting for the BID.

Finance summary

If the BID is successful at ballot, the Business rates team have calculated the 2018/19 Levy at £264,680, of which the council is liable for a BID levy on two properties totalling £3,780.

The cost to the council of holding the ballot for the BID is estimated at £4,000 and will be funded by Electoral services.

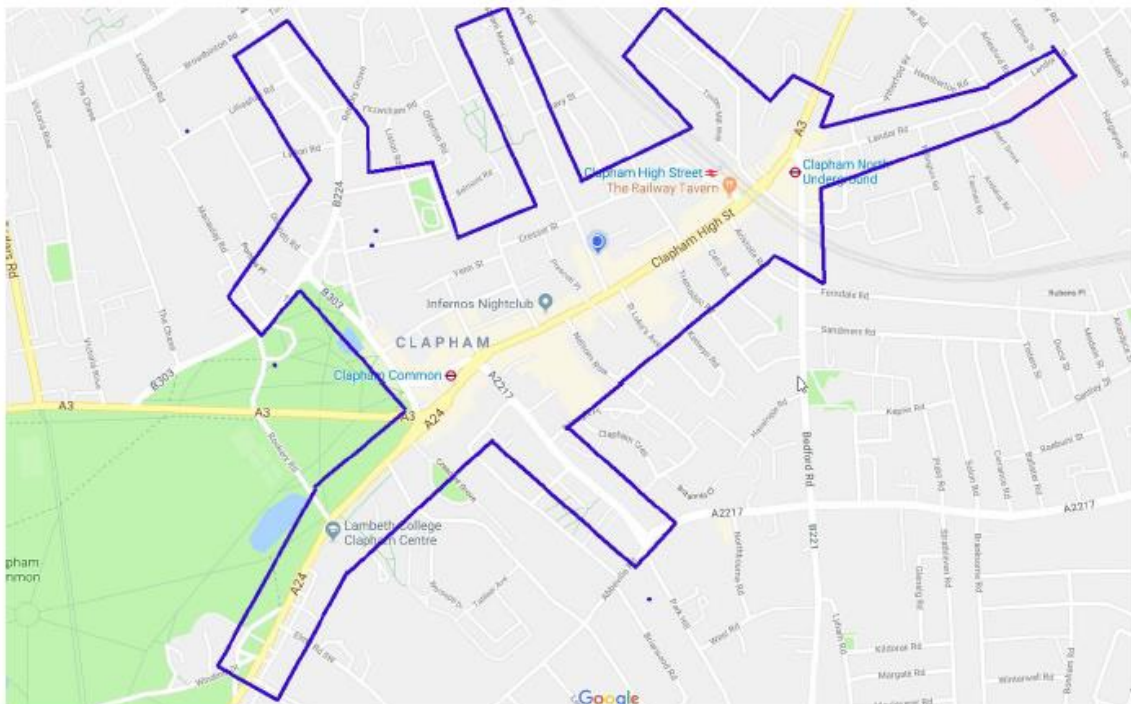
The Business, Culture and Investment team will provide support utilising existing resources.

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 This is Clapham BID.
- (2) To request the Chief Executive as Returning Officer and “Ballot Holder” to hold a ballot for This is Clapham BID, at an estimated cost of £4,000.
- (3) To agree that the council will pay any BID levy due in relation to properties within the BID area (currently £3,780 per annum).
- (4) To authorise the Strategic Director Corporate Resources (or equivalent Senior Officer with relevant authority) 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 the boundary for This is Clapham BID



1. CONTEXT

- 1.1 The council is supporting businesses and economic growth across the borough, in order to create more and better jobs for local residents, reduce inequality and drive inclusive growth. The council is committed to see its town centres thrive as vibrant centres of their neighbourhoods and contributing to the economic vitality of the borough. The Draft Revised Lambeth Local Plan 2018 sets out the council's ambition to safeguard Clapham's role as a district centre by safeguarding and encouraging retail and other town-centre uses.
- 1.2 Business Improvement Districts (BIDs) are a vital part of Lambeth's business support ecosystem, with seven established across the borough. BIDs are not-for-profit business-led organisations. They're primarily funded by a mandatory levy on all eligible businesses after a successful ballot and that provide additional or improved services, identified by the local businesses.
- 1.3 This is Clapham Business Improvement District ('the BID') was first established with support and facilitation from the council in July 2014 and is now coming to the end of its first five year term.
- 1.4 Over the course of the BIDs first five years it has raised and invested approximately £1,125,000 in the area.
- 1.5 The BID has worked to tackle some of the challenges facing Clapham, for example by directly employing a team of wardens to patrol the area at weekends and coordinate responses to the Police (with crime taking place at weekends being reduced by 40% since the BIDs establishment).
- 1.6 The outcomes from the BID have been positive and aligned with council priorities and aspirations.
- 1.7 On 24 July 2018, 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 has now formally requested the renewal ballot and has submitted final proposal documents in order for the council to make the necessary decisions.
- 1.8 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.
- 1.9 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; and,
 - 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).
- 1.10 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 their capacity as the Electoral Registration Officer / Returning Officer.
- 1.11 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 This section of the report summarises the BID’s proposals and concludes that they accord with 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 formally submitted final proposal documents on 18th October 2018. These documents included: draft budget information; the BID proposal; information to satisfy the council that the BID has sufficient funds to cover the costs of ballot in the event BID is required to; and business consultation information.

The BID levy

- 2.3 The BID proposal sets a levy percentage dependent on the businesses operations and/or location:
- 1.5% for daytime businesses;
 - 2.4% for licensed late night alcohol led premises and those serving hot food takeaway after midnight; and,
 - 1% for properties in a designated Key Industrial Business Area.

The levy is charged to all hereditaments with a rateable value of £11,250 or more. Hereditaments with a rateable value of £11,249 or less will not pay the levy and will therefore not get a vote.

- 2.4 The Council currently is currently liable for the business rates payments on two separately rated properties BID area. The total rateable value for these properties is £252,000 which equates to a BID levy liability of £3,780 per annum.

The BID’s Priorities

- 2.5 The BID proposal sets out four key themes of activity. These align with the Future Lambeth: Our Borough Plan priorities of inclusive growth, reducing inequality and strong and sustainable neighbourhoods, and the council’s ambition for Clapham as set out in the Local Plan:

- a) **Promote**
- b) **Enhance**
- c) **Connect**

d) Safer

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

a) Promote

This theme of activity will focus on promoting the businesses within the BID area through the BID's website and directory service and published guides to Clapham. The BID would continue to organise events (such as the Clapham Old Town Fair and Christmas Lights Switch-On).

b) Enhance

The BID would continue its investment in additional street cleaning and public art. The BID would continue its work with St Mungo's homeless charity to maintain green spaces in the area, and also create new graffiti and gum removal services. Having gained planning permission in 2017, the BID would invest in creating a new pocket park at Clapham Common Tube Station.

c) Connect

The BID would continue to run regular networking events, provide free recycling and run cost saving programmes for businesses. Future programmes would include a new employment service in partnership with other South London BIDs.

d) Safer

The BID would continue to employ a team of patrol wardens, support the Clapham Hub (providing a safe space and medical facility at weekends) and work closely with charities and agencies to support homeless people in the area. Future programmes would include employing a dedicated Section 92 Police Officer for the area.

2.7 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.

Ballot Timetable

2.8 The BID ballot process is scheduled to begin on 12th December 2018. The following table outlines the ballot timeline (as agreed with Electoral Services):

Item	Date
Start of ballot process	12-Dec-18
Notice of ballot issued	13-Dec-18
Ballot papers sent by post	15-Jan-19
Ballot date / deadline	14-Feb-19 (5pm)

Governance Arrangements

2.9 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 board is composed of a mix of businesses reflective of the BID area ensuring fair representation of all those who fall within the BID boundary.

3. FINANCE

- 3.1 As advised by the Business rates team, the projected 2018/19 collectable debit (levy income for the BID) is £264,680 of which the council is currently liable for a BID Levy of £3,780 for 2 properties. The council's liability is required to be funded from existing resources.
- 3.2 The cost of holding the ballot for the BID renewal is estimated by the service at £4,000 and will be funded by existing Electoral services budgets. The Business Improvement Districts (England) Regulations 2004 require the council to pay for and administer the ballot.
- 3.3 The cost to the council in officer support for the BID renewal process is estimated at £1,000 and will be funded by existing budgets of the Business, Culture and Investment team.
- 3.4 Lambeth council is responsible for collecting the BID levy into a ring fenced BID fund before passing it over to the BID.

4. LEGAL AND DEMOCRACY

- 4.1 Legal agreements between the council and the BID will need to be drawn up to cover:
 - (a) the BID levy collection; and,
 - (b) 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 21 September 2018 and the necessary 28 clear days' notice has been given. In addition, the council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. 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 Area Regeneration, Finance, Democratic Services and Legal.
- 5.2 The BID has provided the council with details of their consultation with businesses. The BID has worked closely with the businesses to further develop proposals which suit their needs.

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 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.
- 7.2 The BID proposal has been developed in consideration of the consultation with BID Levy payers. It is considered that no significantly disproportionate financial burden is proposed on any person or class of persons. Therefore, the prescribed circumstances for triggering a right of veto over BID proposals are not considered by the council to be present.

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 Clapham area.

9. ORGANISATIONAL IMPLICATIONS

- 9.1 None.

10. TIMETABLE FOR IMPLEMENTATION

Date	Activity
22 November 2018	Report published online
30 November 2018	Decision made on report
7 December 2018	Call in period ends
10 December 2018	Instruction made to hold renewal ballot
13 December 2018	Formal Notice of Ballot published
15 January 2019	Ballot papers despatched
14 February 2019 (5pm)	Ballot deadline (5pm)
16 February 2019 2019	Declaration of ballot result

Audit trail				
Consultation				
Name	Lambeth position / directorate	Date Sent	Date Received	Comments in para:
Councillor Matthew Bennett	Cabinet Member, Planning, Investment and New Homes	16.11.18	21.11.18	
Sue Foster	Strategic Director, Neighbourhoods and Growth	16.11.18	19.11.18	
Chris John	Electoral Services Manager, Corporate Resources	14.11.18	20.11.18	2.8
Sandra Roebuck	Director, Growth, Planning and Employment	14.11.18	15.11.18	1
Matt Blades	Head of Business, Culture and Investment	14.11.18	14.11.18	
Jennifer Angus	Area Regeneration Manager, Brixton & Clapham	15.11.18	21.11.18	
Andrew Ramsden	Finance, Corporate Services	14.11.18	22.11.18	3
Greg Carson	Legal Services, Corporate Resource	14.11.18	15.11.18	4.1 – 4.3
Maria Burton	Democratic Services, Corporate Resources	14.11.18	16.11.18	4

Report history	
Original Discussion with Cabinet member	17.09.18
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	21.09.18
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	<u>Appendix 1</u> – This is Clapham BID – Renewal Ballot Proposal