

Committee: Cabinet

Date: 25 June 2018

Wards: All

Subject: Willow Lane Business Improvement District Renewal Ballot

Lead officer: Chris Lee, Director of Environment and Regeneration

Lead member: Councillor Martin Whelton, Cabinet Member for Regeneration, housing and Transport

Forward Plan reference number:

Contact officer: Sara Williams, FutureMerton, Programme Manager for Business and Economy

That the Leaders Strategy Group note

- A. That the Willow Lane Business Improvement District (BID) proposal for renewal of the BID ballot is supported and any future decision on the BID renewal is delegated to Chris Lee, Director of Environment and Regeneration in consultation with the Cabinet Member Councillor Martin Whelton.
 - B. That the Council will charge the Willow Lane BID Board for the costs for business rates staff in collecting and administrating the levy.
 - C. That the Council recover the cost of the BID renewal ballot from the proposers if the renewal ballot is unsuccessful.
 - D. That the Council will vote in support of the BID renewal for its own rated properties in the BID area and that the voter will be Chris Lee, director of Environment and Regeneration.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report outlines the proposal to support the renewal of the Willow Lane industrial Estate Business Improvement District (BID). It outlines the BID proposal and identifies the timetable for the renewal ballot.
- 1.2. It also identifies the Council's role in the proposed BID and the costs the Council will incur should the BID be successful.

2 DETAILS

- 2.1. A BID is a legal body which can come into being, following a successful ballot in which all eligible businesses have a vote on proposals to improve the district.

- 2.2. A BID is a not for profit company set up by businesses in an area to improve the area. It is directed and funded by businesses to make improvements to the trading environment.
- 2.3. Provision of the business rate listing in a potential BID area free of charge.
- 2.4. Recovery of the costs if the BID is unsuccessful (if it is successful the council is obliged to pay the cost of the ballot) estimated at £800 for each BID area to be contained within the FutureMerton team.
- 2.5. The cost of collecting and full recovery of the BID levy by LBM is 3% of the total amount of BID levy collected in each year of the BID term to cover the costs to the Council of administering these arrangements. and is paid for by Willow Lane BID.
- 2.6. Provision of on-going in-kind support for a successful BID renewal to be contained within FutureMerton team.
- 2.7. Willow Lane started a 5 year term after a YES ballot of its businesses in 2009. A renewal ballot took place in February/March 2014. Following the last success the Business Improvement District (BID) will be holding its second renewal ballot in 2019 to ask the businesses on the industrial estate if they would like Willow Lane to continue it's good work and vote for a third term.
- 2.8. This renewal process is a requirement of all BIDs and the businesses will decide through a democratic process whether they wish to continue to have a BID and therefore fund the activities or not. The vote is a simple yes/no – this is not a competitive ballot with other companies involved.
- 2.9. Over the next few months Willow Lane BID will be undertaking a consultation with businesses and preparing a BID renewal proposal for 2019 – 2024. A full consultation will be undertaken with businesses on the estate between June-September 2018 regarding their priorities for services. The intention of the Willow Lane BID Board is that the priority for BID3 should be the continued provision of existing high-quality services. The major addition to this will be extended CCTV coverage across the estate along with the next stage of the Wayfinding project (new signage and coloured banners). Current services include:
 - CCTV and APNR coverage and monitoring
 - Joined up working with the local Police team
 - Regular review and improvements to local parking and access arrangements
 - Business website
 - Estate Coordinator and Board to actively manage and monitor the area
 - Maintenance of estate signage
 - Enabling faster broadband
- 2.10. Discussions will be held with all the relevant Council departments to maximise partnership opportunity wherever possible. LBM will work with Willow Lane for a successful outcome of this ballot.

- 2.11. The proposed boundary for Willow Lane BID was defined by the Willow Lane Board and this includes approximately 180 eligible businesses.
- 2.12. The Willow Lane BID currently collects approximately £65,000 per annum through the BID levy. The BID propose to introduce a banding system going forward. The BID will be consulting with its larger members about the potential introduction of a higher levy band for the largest businesses on the estate.

| Rateable Value (as at Sept 2013) | Annual BID Levy |
|---|------------------------|
| £5,000 - £10,000 | £108 |
| £10,0001 - £30,000 | £270 |
| £30,001 - £ 50,000 | £378 |
| £50,001 - £100,000 | £540 |
| Over £100,000 | £756 |

- 2.13. From the levy collected there will be a need to deduct the costs of administration and management of the BID, and a sum for overheads. The costs will be included in the annual accounts and will be a responsibility of the Board to keep this to a minimum.
- 2.14. There are no Council hereditaments that would be eligible to pay the annual BID levy should the ballot be successful.

3 ALTERNATIVE OPTIONS

- 3.1. The Council could decide that the potential benefits from the existing Willow Lane BID are not sufficiently great to justify the provision of the financial resource identified and the input of officer time. The alternative is to not renew the ballot. It should be noted that the Council can only oppose a BID Proposal on the grounds that it conflicts with Council Policy.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. A renewal ballot will be required to invite all of the eligible businesses within the BID area to vote for or against the renewal proposal.
- 4.2. For a BID renewal to be successful it must be won on two counts:
- 4.2.1 A straight majority by the number of those voting
- 4.2.2 By a majority in the rateable value of those voting

5 TIMETABLE

5.1 The proposal is to carry out a renewal ballot in February and March 2019 and if successful then operations will continue for a further 5 years from 1st July 2019 to 30th June 2024. The Council will be required to collect the BID levy payments. This will be done 1st July of each year.

5.2 The ballot timetable is currently suggested as follows:

| | |
|------------------------------|--|
| 25 th May 2018: | Meet with Electoral Services to confirm details notice of ballot |
| ASAP: | Send final renewal BID proposal to billing authority |
| ASAP: | Publication of notice of ballot (42 days before ballot date) |
| 27 th Feb 2019: | Issuing of ballot papers (28 days before ballot date) |
| 18 th March 2019: | Deadline for applications for proxy votes |
| 28 th March 2019: | Ballot date |
| 29 th March 2019: | The ballot result will be announced |
| 1 st July 2019: | Willow Lane BID third BID term commences |

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 The development of the BID is supported by the council in the provision of services to support the renewal ballot.

6.2 Willow Lane will produce annual accounts for each financial year and these will be available to all the BID levy payers and the council. The BID board will decide how any unspent or additional income should be utilised.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1 The legislative framework for the establishment of Business Improvement Districts is contained in the Local Government Act 2003 with the regulations governing the BID development process and Statutory Instrument No. 2443-The Business Improvement Districts (England) Regulations 2004.

7.2 Willow Lane will refresh its baseline agreements with the London Borough of Merton to ensure that improvements and services carried out by the BID

represent true additionality and will not replace services already performed by the council. The agreement will clearly define the level of provision by the council and ensure our commitment to maintaining and improving the level of service during the BID.

- 7.3 Where council services are outsourced i.e. Veolia and idVerde, reference should be made in their contractual Operating Procedures to maintain good working relationships with the BID.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. There are no direct implications arising from this report.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. There are no direct implications arising from this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1 Lack of support of the BID by the Local Authority could lead to some resentment from local businesses and possibly the view that the council was not supportive of local business. The majority in the 2012 ballot was strong with 70% of businesses that voted confirming their support. It is anticipated this will increase in this ballot.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- 11.1 Appendix 1 - Willow Lane BID map

12 BACKGROUND PAPERS

- 12.1. None

13 LINKED DOCUMENTS

- 13.1 Cabinet report dated 8th December 2008 agenda item 6 entitled Business Improvement Districts found here:
<https://democracy.merton.gov.uk/Data/Cabinet/20081208/Agenda/686.pdf>

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