

<b>REPORT TO:</b>	<b>CABINET 19 October 2020</b>
<b>SUBJECT:</b>	<b>District Centre Prosperity - Purley BID</b>
<b>LEAD OFFICER:</b>	<b>Shifa Mustafa, Executive Director of Place Stephen Tate, Director of Growth, Employment and Regeneration</b>
<b>CABINET MEMBER:</b>	<b>Councillor Manju Shahul Hameed, Cabinet Member for Economy &amp; Jobs Councillor Simon Hall, Cabinet Member for Finance &amp; Resources</b>
<b>WARDS:</b>	<b>Purley &amp; Woodcote; Purley Oaks &amp; Riddlesdown</b>

### **CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON**

This report sets out the rationale for supporting a second term of the Purley BID and how the Council and Purley Business Improvement District will work together to continue to drive economic growth in this key, ambitious and growing district centre.

The renewal of the Purley BID supports the Corporate Plan for Croydon 2018-2022 in its delivery of the outcomes:

- Business moves here and invests, our existing businesses grow
- Everyone feels safer in their street, neighbourhood and home
- Everybody has the opportunity to work and build their career
- A cleaner and more sustainable environment

It also supports Croydon's Community Strategy 2016-21 by contributing to:

- Outcome One: A great place to learn, work and live
- Priority Three: Support the local economy to grow
- Priority four: Deliver a vibrant cultural offer
- Priority Five: Secure a safer, cleaner and greener borough

### **FINANCIAL IMPACT**

Business Improvement District (BID) regulations currently stipulate that the local authority should bear the cost of the BID Ballot; subject to it being a majority 'yes' vote. The Head of Electoral Services and Mayor's Office estimates that this will be a one-off cost of approximately £4,000 to the Council in 2020-21 for the resources necessary to carry this out in-house, in accordance with the BID regulations. This cost is repaid to the Council if the BID ballot is unsuccessful and returns a 'no' vote.

Under the BID regulations, the cost incurred by the Council for billing and collecting the extra levy from the non-domestic ratepayers within the geographical area of the BID may be charged to the BID. The estimated cost of this service is up to £5,900 p.a.

The Council owns a number of assets within the BID area that will qualify for the levy. If successfully voted in for a second term the levy payable by the Council will be £2,363 per annum out of the predicted £102,085 total annual levy. Over the 5 years of the BID, the total levy due will be £11,815 out of around £510,428 generated across the BID.

**FORWARD PLAN KEY DECISION REFERENCE NO.:** this is not a key decision.

The key decision was taken by the Cabinet Member for Economy & Jobs in consultation with the Cabinet Member for Finance & Resources on 7 October 2020 under Special Urgency (5420EJ). The reason for urgency was:

The making of this decision is urgent as Covid 19 has had a severe impact on the businesses in this designated area and Purley BID have been an essential part of the emergency response, the area needs have changed and it has never been more important to deliver a proposal that reflects a business led, agile response for renewal. It is this response which has led to the delay of the Purley BID proposal being submitted.

The BID have engaged and responded directly to their levy members concerns and needs and now have a proposal that reflect the want of the businesses. However, this means that in order to meet the needs of the ballot timeline we cannot wait until the Cabinet meeting being held on the 19 October and the decisions requested must be taken outside of the Cabinet – the Leader has delegated the decision to Cllr Manju Shahul-Hameed.

The agreement of the Chair of the Scrutiny & Overview Committee was obtained.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

## **1. RECOMMENDATIONS**

1.1 Note that the Leader delegated authority (5420LR) to the Cabinet Member for Economy & Jobs in consultation with the Cabinet Member for Finance & Resources to:

- Consider on behalf of the council as a billing authority, whether the Purley BID proposal conflicts with any formally adopted policy of the Council and, if it does, give notice of this in accordance with the BID Regulations
- Determine and agree that the council should approve the BID proposal and vote 'yes' on the BID ballot
- Determine and agree that the council can determine the baseline service provision for key services within the Purley BID area for 2020/21 on behalf of Cabinet
- Agree that the Council formally make arrangements for conducting a BID ballot in accordance with the BID regulations through the Council's electoral services team (with the ballot day scheduled for Thursday 10<sup>th</sup> December 2020)
- Note that in the event of a 'Yes' vote at ballot:
  - That the Council manage as the relevant local billing authority, the billing and collection of the additional levy,

and its transfer to the BID Company, with all costs incurred by the council to be paid by the the BID Company.

- That the Council meet the Council's obligations in paying the extra BID levy, as a non-domestic ratepayer in the BID area, in accordance with the BID regulations over the life of the BID
- That the Council enter into the key legal agreements with the BID Company regarding the operation of the BID and delivery of Council baselines and that the Executive Director – Place in discussion with the Cabinet Member for Economy and Jobs be given delegated authority to approve the final terms of those agreements

1.2 Note that the above decisions were taken under delegated authority by the Cabinet Member for Economy & Jobs in consultation with the Cabinet Member for Finance & Resources on 7 October 2020 (5420EJ).

## **2. EXECUTIVE SUMMARY**

- 2.1. Purley continues to face one of the most challenging periods in its economic history. The impact of COVID-19 (coronavirus) has created an economic crisis that needs an immediate coordinated response that reduces the impact on the businesses. Purley Business Improvement District (BID) has been a key player in the emergency response for businesses, working with the Council to ensure that information, advice, guidance and financial support has been delivered to the Purley levy members.
- 2.2. Purley Business Improvement District (BID) have completed their 5 year term and are now due for ballot. This report focuses on the process and impact that a further five year term will have for the businesses, residents and the cost and role the Council will play in the enablement of the BID.
- 2.3. Over the past five years Purley businesses have benefited from the Purley Business Improvement District (BID). The BID has run well over 200 projects including delivering hanging baskets and banners to improve the look and feel of the district centre, activating the high streets with events such as the annual Food and Drink Festival. Purley BID has provided business support, promotions and other initiatives including campaigning and lobbying for policy change to support the business community.
- 2.4. Throughout this time, the Council has been collaborating with the Purley BID to unlock the full potential of the area. This key district centre has been subject to unprecedented change in recent years.
- 2.5. It is now time for the renewal of the Purley BID, which operates on a 5 year term. A successful 'yes' vote at ballot, has the potential to unlock levy income to the value of £510,428 over the next 5 years to support interventions that benefit

businesses within the BID area, which in turn will benefit the wider community, in terms of access to employment and skills opportunities.

2.6. As a key partner and levy payer, the Council will vote in the ballot and can influence those interventions. The key priorities set out by the BID in its ballot documentation are:

- **Destination Purley** – promoting and supporting Purley as a vibrant high street
- **Access and safety**
- **Business support**

### 3. What are Business Improvement Districts (BIDs)?

3.1. A BID is a geographical area where businesses are invited to decide how to improve their trading environment. A local mechanism is used to progress the BID where non-domestic ratepayers occupying local business premises (known as hereditaments) pay an extra levy on top of the annual business rates for a fixed period (5 years). This additional funding is ring-fenced and spent at the discretion of the BID Board on a business plan of services and improvements within the BID area.

3.2. A BID is both business-led and business funded, but is also a partnership with the local authority, in order to build on and provide additionality to (not replace) existing council services. The BID is funded primarily through the levy but can also draw on other public and private funding streams.

3.3. Part 4 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 permits local business communities to set up a BID as part of the borough community strategy.

3.4. The statutory regulations allow any local business community to set up a BID district, provided that 51% or more of voting business ratepayers in the proposed area (in terms of both absolute numbers and rateable value) vote in favour. The vote for a BID is carried out by secret postal ballot, which is organised by the local authority. Eligibility to vote is based on one vote per each eligible business premise (hereditament) situated in the defined BID area.

3.5. The regulations require the BID's business plan ('the BID proposal') to include the range of new or expanded services and works over and above those provided by the local authority. The local authority is in turn required to demonstrate its intention to maintain its existing services to businesses within the geographical area of the BID for the duration of the BID through baseline agreements. The core focus is a programme of additionality, complementing those services provided within the area by the local authority and other statutory services. Typical projects include anti-crime and community security measures; higher levels of street cleaning; marketing initiatives; business development events; environmental improvements; training & networking services; and business support services. Typical key themes within a BID proposal are a strong business voice; safe and secure; clean and attractive; perception and

image and accessibility. A BID has the potential to bring significant extra regeneration impact to a town or district centre.

3.6. Under the regulations, the Council has a duty to formally approve the BID proposal as part of the process to ballot. By giving its approval the local authority is satisfying itself that the proposal conforms to the regulations. It also needs to satisfy itself that the BID proposal has sufficiently demonstrated:

- The business consultation undertaken;
- The financial management arrangements for the BID body;
- The proposed business plan;
- That a contract is in place between the BID company and the local authority; and
- That all necessary steps have been taken to ensure the proposal is robust.

Purley BID will continue working in partnership with Council officers to ensure all aspects of the BID proposal are in place to assist the Council in fulfilling its regulatory duties in respect of approving the BID proposal.

3.7. The benefits to the Council of supporting the BID proposal are:

3.7.1 That it contributes towards our key corporate priorities by ensuring that Croydon residents benefit from economic growth in the borough, that they have the opportunities to develop new or to expand existing local businesses, and that they have the skills to access decently paid jobs.

3.7.2 That it also contributes to our corporate priority of community devolution and empowerment, by enabling local decision-making over local resources to directly benefit that neighbourhood and community.

3.7.3 That it offers a self-funding dedicated resource to act as a link to the district centre and provides a strategic delivery partner in the council's boroughwide economic renewal initiatives.

3.7.4 That it delivers additionality against the Council's priorities of crime and disorder & environmental improvements and sustainability.

3.7.5 That it facilitates community cohesion through network and partnership building and delivery of a programme of family-friendly events and arts initiatives.

#### **4. Purley BID – then and now**

The Purley BID is Croydon's third BID. The first was the Croydon Town Centre BID, and the second was the New Addington BID both of which are now in their second terms.

4.1. The Purley Business Association established the need for change in 2014 by consulting with local stakeholders on the appetite for a Business Improvement District. In autumn 2014 the Council formally gave its in-principle support to the

Purley BID by supporting its application to the GLA BIDs programme and by offering match funding (in kind) in order to take to ballot.

- 4.2. Following a successful ballot, Purley BID was established in 2015 with a vision to make Purley better for business. It was set up by local businesses who passionately believed in supporting each other for the benefit of everyone, residents and fellow business owners alike. Purley Business Improvement District CIC is a not-for-profit Community Interest Company, which was formed to manage the BID in 2016.
- 4.3. The Purley BID area (detailed in Appendix 2 of this report), is focused around Purley High Street and as at September 2020, has approximately 180 hereditaments (properties eligible to pay business rates). Building on the experience of the last 5 years, the levy has been set to continue at 1.5% of the business rate per annum (by rateable value), estimated at around £102,085 per annum. A threshold level is also set, so that individual hereditaments below £ 8,000 per annum will not have to pay the levy. This threshold precludes certain listings such as ATM's, places of worship and schools from being charged.
- 4.4. The Council is a non-domestic rate payer within the Purley Business Improvement District, as it owns 3 assets that meet the levy threshold: Purley multi-storey car park; Russell Place car park and Purley Library. The combined Rateable Value of these assets currently totals £157,500 resulting in an annual levy payment of £2,363.
- 4.5. As Purley BID approaches the end of its first 5 year term, notice of the intention to hold a ballot was given to the Secretary of State on 11 June 2020. Notice of Ballot will be sent to participating businesses by Croydon Council within the required statutory period.
- 4.6. The timeline for the ballot process is therefore as follows.

Pre-Ballot mailing to non-responders	7 October 2020
Deadline for Publication of Notice of Ballot; preparing the list of persons entitled to vote; writing to each person regarding arrangements; sending copy of Notice to Secretary of State	13 October 2020
Last date for posting ballots	12 November 2020
Last date for the appointment of proxies	26 November 2020
First day for re-issuing lost ballots	4 December 2020
Last day for re-issuing lost ballots	7 December 2020
Day of Ballot	10 December 2020
Count of votes and declaration of result	11 December 2020
Deadline for request to Secretary of State to declare ballot void	25 January 2021

## 5. The Purley BID Proposal

- 5.1. Purley BID carried out a community survey in August and September 2020 to establish what residents and businesses would like to see in their next term.

They received 250 responses of which 50 were from local businesses. This work has informed their Proposal 2021-26 (detailed in Appendix 3 of this report) that is now being used for canvassing throughout the ballot period.

- 5.2. The Council continues to work closely with Purley BID and to determine their support for the BID proposal.
- 5.3. Three key themes have emerged from this engagement which form the focus of their Proposal 2021-26.:
  - Destination Purley – promoting and supporting Purley as a vibrant high street
  - Access and safety
  - Business support

**5.3.1 DESTINATION PURLEY** – with the wide-ranging challenges for retail and high streets, Purley BID recognises that it needs to promote Purley as a destination, not just a place to do a bit of shopping. Purley BID will be focusing on:

- the visitor experience, for local workers and residents - Purley BID will build on its programme of seasonal events to ensure that the town centre is family friendly, attracts footfall and increases dwell time. Purley BID has successfully established the annual Purley Food and Drink Festival which they seek to build on, as well as promoting 5 bi-monthly campaigns to support mental health. Purley BID also provides training to enable the town to be Dementia Friendly. Other new initiatives include organized busking.
- Improving the look and feel of the area – Purley BID will continue their daily patrols, reporting and removing graffiti and fly tipping, as well as reporting damaged or missing street furniture; the maintenance of foliage on Purley Cross; organized litterpicks and annual free cleaning of shop signage. In addition they will provide additional deep cleaning around the public realm in areas of particular need and renovate the Brighton Road clock.
- Greening the high street – Purley BID invests in summer and winter floral displays including hanging baskets, railing boxes and tiered planters. They plan to launch Purley in Bloom partnering with Network Rail, South East and Southern Rail, provide new planting on Purley Cross and creating wild garden areas on Godstone Road embankment.
- Winter lights – Purley’s Christmas lights are provided by Purley BID and they commit to continuing this provision in their proposal, along with seasonal LED tree lights through winter.
- Promotion – Purley BID is committed to delivering strong branding for Purley through street banners and posters, and keeping the community connected and encouraging ShopLocal through newsletters and social media channels, as well as actively supporting Small Business Saturday and similar campaigns

- Art installations – building on their successful art installations over the last 5 years both temporary (on hoardings) and permanent (e.g. Railway station murals), Purley BID will continue to identify opportunities for innovative artwork in the district centre.

**5.3.2 BUSINESS SUPPORT** – Purley BID works continuously to support local business and will continue to do so by:

- Campaigning and lobbying for policy change and being a strong voice for local businesses on a range of partnerships and networks, fostering key relationships with councilors, the Mayor of London, the GLA, local MP, Police and Residents' Associations.
- Maintaining the weekly group communication across their network initiated as the country went into lockdown, and ensuring that businesses feel supported and listened to, championing their cause and facilitating access to support.
- Digital training and access for businesses

**5.3.3 ACCESS AND SAFETY** – Purley BID acknowledges that these are the most common issues facing almost all district centres across the country. They will continue to improve access and safety by:

- Purchasing the services of a private security firm to make daily patrols to manage anti-social behavior and be a visible deterrent.
- Working with the council to deliver a Public Space Protection Order (PSPO) and signing up to the Crime Reduction Partnership.
- Working with the council to improve access to parking and other district centre facilities through signage and systems.
- Promoting Purley's status as a Dementia Friendly town and supporting the PubWatch scheme they established over the last term and their Bar One bar All programme to address ASB.

**6. CONSULTATION**

- 6.1 Extensive consultation has been undertaken by the Purley BID and their proposal developed in response to the needs of the Purley business community reflecting their needs after the impact of the Covid 19 mitigations which includes lock down.

**7. PRE-DECISION SCRUTINY**

- 7.1 This item has not been to a Scrutiny meeting for pre-decision debate due to the special urgency measures.

## **8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

### **8.1. The effect of the decision** - If successfully voted in:

#### **8.1.1 One off cost to the Council in 2020-21**

The BID regulations currently stipulate that the local authority should bear the cost of the BID Ballot; subject to it being a majority yes vote. The Head of Electoral Services and Mayor's Office estimate that this will be a one-off cost of approximately £4,000 to the Council in 2020-21 for the resources necessary to carry this out in-house, in accordance with the BID regulations. These costs will be absorbed within existing budgets. This cost is repaid to the Council if the BID ballot is unsuccessful and returns a 'no' vote.

#### **8.1.2 Ongoing cost to the Council from 2020-21**

The levy liability payable by the Council will be c. £2,363 per annum over the 5 years of the BID out of the predicted £102,085 total levy. The Council has been liable for and has budgeted for this levy over the last 5 years. Whilst there is an annual levy cost associated with supporting the Purley BID, it is considered reasonable in relation to the additional investment that the BID can attract.

The estimated cost that the council incurs is up to £5,900 per annum. These costs arise as Croydon is the relevant billing authority responsible for billing and collecting. Under the BID regulations, these costs are recharged to the BID.

In light of current financial pressures the Council will not be in a position to contribute a further annual voluntary contribution in addition to the levy (subject to a 'yes' vote).

## **8.2 Risks**

8.2.1 The BID process is considered an innovative process of enabling business communities to contribute significantly to the future economic development of their local area and regenerate high streets.

8.2.2 As the nation navigates the uncertainty that the current pandemic presents, the role of our key strategic local partners, including the borough's BIDs has never been more important in working with the council to manage the economic impacts of COVID-19, and facilitate and support recovery through their local networks.

8.2.3 The risk of an area not embracing this potential is that investment needed to retain businesses, increased footfall and attract inward investment in a local district centre may not be forthcoming, compared with neighbouring areas where this opportunity is being exploited. At a time of economic uncertainty, the council cannot risk losing the opportunity to regenerate its local business communities.

8.2.4 The current uncertainty resulting from the COVID-19 pandemic does present some risks:

- Businesses who have been hugely impacted by the recent lockdown may not feel able to support the additional costs of paying the levy, in spite of the benefits it might afford them, resulting in a 'No' vote in the Ballot
- If the Purley BID secures a second term, further economic restrictions arising as a result of COVID-19 might impact on the ability to continue to collect the BID levy and impact on its viability.

8.2.5 There are also resource implications for the Council in terms of levy payment, and administration of the ballot. However, the effects of the Council not supporting the Purley BID are considered to outweigh these:

- Loss of revenue of approximately £102k per annum to help in the regeneration of the area;
- Damage to business relationships built up in the area over the last 5 years in which Purley BID has operated;
- Dis-engagement of local businesses to work in partnership with each other and with the Council for the betterment of the area;
- Loss of funding and initiatives that can attract footfall to the area and strengthen community engagement.

### 8.3 Options

There are no perceived alternative options for the Council. If the business community chooses to pursue the legislative BIDS route and vote 'yes', then the Council is obliged to play its part in the process. It is also obliged to fund the ballot process unless the ballot is unsuccessful.

### 8.4 Future savings/efficiencies

As a private sector initiative, the BID has no impact on the future savings or efficiencies of the Council. Any reduction of ownership of property in the Purley BID area will have a direct impact on the levy payment due. The continued operation of Purley BID will add value to the wider economy of Purley.

Approved by: Matthew Davis, Head of Finance for and on behalf of Lisa Taylor, Director of Finance, Investment and Risk

## 9. LEGAL CONSIDERATIONS

9.1 The Head of Corporate Law and Litigation comments on behalf of the Director of Law and Governance that the Business Improvement Districts (England) Regulations 2004 (BID Regulations) in conjunction with Part 4 of the Local Government Act 2003 makes provision for establishing a Business Improvement District within a specific geographical area in the borough. The BID Regulations provides (amongst other things) for the Council as the billing authority to arrange the BID ballot and also provide for the imposition, administration, collection, recovery and application of the BID levy. The BID

Regulations also provides that the local authority is entitled to vote during the BID ballot.

Approved by Sandra Herbert, Head of Corporate Law and Litigation on behalf of the Director of Law and Governance and Deputy Monitoring Officer.

## **10. HUMAN RESOURCES IMPACT**

- 10.1 The HR impact for this process is additional staff to manage the process. Delivery will require staffing to complete the ballot process, manage the Purley BID relationship and collect the levy. The staff mechanisms to collect the BID levy and the and deliver the ballot is already in place.
- 10.2 If there are any other HR issues that arise these will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place for and behalf of Sue Moorman, HR Director.

## **11. EQUALITIES IMPACT**

- 11.1. A full equality analysis was undertaken in 2016, and has been updated for the renewal proposal, to assess whether the Purley Business Improvement District is likely have any adverse impact on residents and businesses groups that share a "protected characteristic". The analysis concluded that the proposed change is likely to help the Council in advancing equality of opportunity and fairness and that all Croydon residents are likely to benefit from economic growth in the BID area.
- 11.2 The equality analysis also identified that economic inequality such as unemployment is an issue that affects some groups that share a "protected characteristic" on the basis of disability, race , and age more significantly and need to considered and addressed in the delivery of the BID.
- 11.3 The equality analysis recommends that the Purley BID Board continues to monitor and regularly review the impact of proposals to ensure the benefits (including opportunities for employment) are delivered to all residents and businesses. If appropriate, mitigating action will be planned to ensure that those of groups that currently face economic inequality (in terms access to employment opportunities) are provided with targeted support.
- 11.4 The BID Board will endeavor to ensure that Croydon residents benefit from economic growth in the area, have access to opportunities to develop new or to expand existing local businesses, as well as, skills and qualifications to access decently paid quality and secure jobs. If appropriate, mitigating action will be planned ensure that those equality groups that currently face economic inequality (in terms of access to employment opportunities) are provided targeted support.
- 11.5 The proposal to continue to support a Purley Business Improvement District will

support the Council in delivering on its economic development and regeneration agenda and the Council's Equality and Inclusion objective to work in partnership to lift people out of poverty by increasing employment opportunities across the borough and ensuring local people (and in particular disabled people, young people, over 50s and lone parents who are furthest away from the job market) have a pathway into employment, education and training.

Approved by: Yvonne Okiyo, Equalities Manager

## **12. ENVIRONMENTAL IMPACT**

- 12.1 The Council will work with the BID Board to ensure that all environmental considerations are given appropriate assessment at all levels of the delivery of projects which deliver more employment opportunities for the borough's residents.

## **13. CRIME AND DISORDER REDUCTION IMPACT**

- 13.1 A key focus of the BID proposal will be additional local safety and security initiatives to add to the Council's ongoing commitment. In this way, the Purley BID will play a part in orchestrating business led solutions to criminal and anti-social behavior.

## **14. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 14.1 There are no perceived alternative options for the Council. The partnership that the council has developed over the past 5 years with Purley BID has been mutually beneficial, and they are a key partner in securing the economic growth and vitality of Purley District Centre, more now than ever in light of the recent pandemic and the work required to manage lockdown and subsequent recovery for our local economy. If the business community chooses to pursue the legislative BIDS route and vote 'yes', then the Council is obliged to play its part in the process. It is also obliged to fund the ballot process unless the ballot is unsuccessful.

## **15. OPTIONS CONSIDERED AND REJECTED**

- 15.1 The following options were considered:
- To not support the BID – not recommended as the loss of support that the BID offers could have a severe impact on the businesses inside the levy.
  - Support the BID – recommended

## **16. DATA PROTECTION IMPLICATIONS**

### **16.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

Business data will be processed and this this will include sensitive financial evidence and banking details and therefore a process that conforms to GDPR and the processing of sensitive data has been implemented.

### **16.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

Yes and a DPIA is attached

Approved by Stephen Tate, Director of Growth, Employment & Regeneration

---

#### **CONTACT OFFICER:**

Carol Squires, Head of Economic Development

#### **APPENDICES TO THIS REPORT:**

Appendix 1: BID area - BID map  
Appendix 2: BID Proposal Document

#### **BACKGROUND PAPERS:**

Equality Analysis and DPIA