

Report for: Cabinet

Item number: 16

Title: Wood Green Business Improvement District (BID)

Report authorised by: Helen Fisher, Director for Regeneration

Lead Officers: Beth Kay, Head of Area Regeneration – Wood Green
Javad Ossoulia, Principal Regeneration Officer

Ward(s) affected: Woodside, Noel Park, West Green and Harringay

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. The purpose of this report is to consider a proposal for the creation of a Business Improvement District (BID) in Wood Green in accordance with the relevant provisions of the Local Government Act 2003 (“the LGA 2003”) and the Business Improvement Districts (England) Regulations 2004 (“the BID Regulations. 2004”) (both together “the BID Legislation”).
- 1.2. Representatives of Wood Green businesses have approach the Council and requested to assist them in setting up a BID in the area. Their decision has been based on the success of other BIDs across London in revitalising businesses. Wood Green has great potential and need for a BID, it is one of only two Metropolitan Centres in London that does not have a BID. In 2016 a business led BID Steering Group was set up as a sub group of the Wood Green Business Forum to oversee and coordinate the establishment of a BID in Wood Green.
- 1.3. On 30th June 2017 the Chair of the Wood Green BID Steering Group, as the party proposing to set up the BID (the “BID Proposer”) served 84 days’ notice on the Council and the Secretary of State of the intention to request the Council as the billing authority to put the BID Proposal to a ballot, as required under the BID Regulations.
- 1.4. The fact that local businesses have come together and formed a working group to initiate the formation of a BID is a positive development in itself and one that we welcome and should support.

- 1.5. The Wood Green BID will be owned and led by local businesses, addressing issues and concerns as well as creating opportunities for cost saving and capacity building exercises.
- 1.6. On 26th September, the Chair of the Wood Green BID Steering Group, as the party proposing to set up the BID (“BID Proposer”), has again written to the Council with the documents outlined in regulation 4 of the BID Regulations 2004 and has requested that the Council instruct a ballot to be held. These documents are included in the appendices
- 1.7. The purpose of this report is to ask Cabinet to consider the current BID proposals (Appendix 1 BID Proposal) and agree recommendations that will enable a BID Ballot to take place for affected businesses in the proposed BID area on the BID Proposals (a “BID Ballot”) and, if successful, a BID to be set up.

2. Cabinet Member Introduction

- 2.1 The proposal to set up a Business Improvement District (BID) in Wood Green is an initiative developed and led by businesses in Wood Green, aimed at revitalising Wood Green Town Centre. This decision has come about as result of the success of other BIDs in London. If it succeeds in achieving its proposed objectives it will make a positive contribution to business growth in Haringey and as such will be an integral part of the wider Wood Green Regeneration Programme. BIDs across the UK have been proven to be useful vehicles to bring about improvements to struggling business districts. A BID in Wood Green will be a statement of intent that the local authority is supporting local businesses in their endeavour to improve their businesses.
- 2.2 The decision to set up a BID was made following a feasibility study to assess the viability and the appetite for a BID in Wood Green. Businesses consulted have highlighted crime and anti-social behaviour, cleanliness, image of Wood Green and limited retail offer as areas in desperate need of improvement. There is a healthy level of appetite and support for a BID amongst Businesses in Wood Green.
- 2.3. As per ‘Business Improvement Districts (England) Regulations 2004’ the council is obliged to respond to the request of the BID proposer- Wood Green BID Steering Group and support them in their attempt to set up the BID.
- 2.4. Membership of a BID in Wood Green will allow businesses to come together and forge a strong partnership, collective voice and influence the development of the area and benefit from joint investment and procurement exercises.

3. Recommendations

It is recommended that Cabinet:

- 3.1. Endorses the Wood Green BID Proposals, formally submitted by the Wood Green BID Steering Group in accordance with the BID Legislation
- 3.2. Note that the Wood Green BID Proposals do not conflict with any formally adopted or published policies of the Council
- 3.3. Instruct the Returning Officer to hold a BID Ballot in relation to the Wood Green BID Proposals aiming to hold the ballot on 1st March 2018.
- 3.4. Agree to delegate authority to the Director of Regeneration to vote 'yes' on behalf of the Council in the Wood Green BID Ballot, as a non-domestic ratepayer of Council-owned properties in the proposed Wood Green BID area.
- 3.5. In the event that the outcome of the BID ballot is in favour of the Wood Green BID, agrees to delegate authority to the Director of Regeneration to make decisions on behalf of the Council in connection with, and during, the process of the setting up of the Wood Green BID, including authority to finalise two agreements (a Baseline Agreement for the Provision of Standard Services and an Operating Agreement) with the BID Company regarding the operation of the BID, (in consultation with Assistant Director of Corporate Governance)

4. Reasons for decision

- 4.1. A BID is a defined area within which businesses pay a levy in order to fund projects and improvements (typically related to safety/security, cleansing and environmental measures) within the district's boundaries. There are 53 BIDs in London but currently no BIDs in Haringey. Only two Metropolitan Town Centres in London do not have BIDs, Wood Green and Shepherd's Bush (which has an enhanced management agreement with Westfield).
- 4.2. Businesses on Wood Green High Road have for some time been very concerned about the image of Wood Green and the associated crime, grime and the retail offer. Wood Green has tremendous strengths but also significant opportunities to improve. It is classified by the Greater London Authority (GLA) as a Metropolitan Town Centre, but is ranked as one of the worst performing on a number of measures (quantity of comparison retail, ratio of comparison to convenience, quantum of office, quality and quantum of amenity and leisure).
- 4.3. Consultation with businesses during the BID Feasibility Study undertaken in 2016 demonstrated that a BID in Wood Green had the potential to improve the experience, marketing and viability of Wood Green and thereby enhance the economic growth of the area and outcomes for

residents. It was also considered that membership of a BID in Wood Green will allow businesses to come together and have a strong voice in the area's future as it undergoes significant transformation following the delivery of the Wood Green Area Action Plan (AAP) and Investment Framework.

- 4.4. The BID Proposer has drawn up a document, The BID Proposals (Appendix1), which will set out the services to be provided and the size and the scope of the Business Improvement District. It also sets out who is liable for the levy, the amount of levy to be collected and how it is calculated. The BID proposals include:
- I. A statement on what services the BID intend to provide
 - II. Who will provide them (i.e. the BID company)
 - III. Who will be liable to pay the levy and how the levy will be calculated
 - IV. Any relief to be given to any specific class of occupiers
 - V. Whether any (and which) of the bid arrangements may be altered without an alteration ballot
 - VI. The duration of the BID arrangements (the BID Term)
 - VII. When the BID arrangement comes into force
 - VIII. A map of and list of streets in the geographical area covered by the BID Proposals
 - IX. A schedule of the existing baseline services provided by the relevant public authority

Council officers are confident that the BID proposer has supplied the above information in the BID Proposal document shown in Appendix 1 and that this document complies with the BID regulations

- 4.5. In accordance with Regulation 3(2) of the Bid Regulations, on 30th June 2017 the Chair of the Wood Green BID Steering Group, (set up as a sub group of the Wood Green Business Forum to oversee and coordinate the establishment of a BID in Wood Green) the BID Proposer served 84 days' notice on the Council and the Secretary of State, of the Steering Group's intention to request the Council as billing authority to put BID Proposals to a ballot.
- 4.6. Under the BID Regulations, the Council has a duty to receive BID Proposals as part of the process leading to a ballot. The Council has a role in ensuring compliance and has the power under the BID Regulations to veto a BID proposal after ballot where it believes the BID proposals:
- (i) are likely to materially conflict with any of the Council's formal policies;
 - (ii) place an inequitable and significantly disproportionate financial burden on any class of non-domestic ratepayer as a result of manipulation of the BID area or BID levy.

4.7. The recommendations are in support of the Wood Green BID Proposal as it is considered to:

- (i) conform to all requirements of the BID Regulations;
- (ii) provide leverage of additional resource for the regeneration and improvement of the Wood Green area.

Council officers have studied the BID proposal and are of the opinion that it does not conflict with any of the Council's formal policies and it does not place any disproportionate financial burden on any class of non-domestic rate payers as the result of the proposed BID area or the levy rate.

5. Alternative options considered

5.1. Officers have been exploring the opportunity for BIDs in the borough since 2014. Wood Green and Tottenham have been considered as well as other local town centres and industrial estates. This is further detailed in the background section. Currently Wood Green is the only Town Centre in the borough considered to have the potential to be a BID.

5.2. Should the Council vote not to support the BID Proposal, it would risk:

- (i) Losing the opportunity for potential investment in Wood Green of between £300,000 and £600,000 per annum over five years, to be raised from the BID levy and through accessing external sources of funding and in-kind support to be used by the BID Company which, working with the Council, could support the promotion and regeneration of the Wood Green;
- (ii) Losing the opportunity for attracting additional leverage and match funding; and
- (iii) Damaging business relationships and causing the dis-engagement of local businesses from working in partnership with each other and with the Council for the regeneration of the area.

6. Background information

6.1. BID Definition and Set Up

6.1.1 Legislation for BIDs is set out in the Local Government Act 2003 and The Business Improvement Districts (England) Regulations 2004.

6.1.2. A BID is a defined area within which businesses pay a levy over and above Business Rates in order to fund projects and improvements (typically related to marketing and branding, environmental measure, safety/security and cleansing) within the district's boundaries. The BID Steering Group has developed Proposals for the BID, including

the amount of levy to be paid by eligible businesses, and plans for the expenditure. These Proposals are the subject of the BID Ballot campaign and vote.

- 6.1.3. Each business entitled to vote in a BID ballot is allowed one vote per property occupied or (if unoccupied) owned by them in the geographical area of the BID. A successful vote is one that has a simple majority both in votes cast and in rateable value of votes cast.
- 6.1.4. Once the BID is in operation the additional levy is charged on all businesses within the BID area above an agreed Rateable Value threshold (regardless of whether or how that business voted in the ballot).
- 6.1.5. Over 200 English BIDs (53 in London) are now in operation, including London BIDs in Bankside, Stratford, Streatham, Brixton and Vauxhall. In 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. To develop a BID there must be a strong Business Forum with representation from national business, independent retailers and other stakeholders. The Business Forums would have the autonomy to develop a programme of business activity, events and a campaign that would lead into a BID ballot.
- 6.1.6. A ballot is run by the local authority or outsourced by the authority to a third party (with local authority oversight). All businesses eligible to pay the levy are balloted. This ensures that the interests of large and small businesses are protected. There is no minimum turnout threshold. The vote for a BID is carried out by secret postal ballot and eligibility to vote is based on one vote per hereditament situated in the BID area.
- 6.1.7. Once the BID is established, an income will be generated through the BID levy (based on rateable values of properties) for the BID company to be financially self-sustaining for duration of the BID term, usually five years. To continue for another term a new ballot must be held.

6.2. BIDs in Haringey

- 6.2.1. Officers have been working with local businesses to explore the opportunity for BIDs in the borough since 2014. A feasibility study carried out in October 2014 identified that in Tottenham 50% of traders are in accommodation having a rateable value below £10,000 and would therefore fall outside the threshold at which it would be acceptable to charge a levy. At that stage Tottenham traders expressed very limited appetite for a BID and would be unlikely to vote in favour.
- 6.2.2. It was also understood at that time that the Muswell Hill and Green Lanes traders didn't see any immediate benefit to their areas from starting a BID since they already have well organised traders' groups and generally well maintained and successful retail areas.
- 6.2.3. Wood Green was identified by officers as the Town Centre with the greatest potential and need for a BID. It is Haringey's only Metropolitan Town Centre as defined in the London Plan, with increasingly engaged and active network of businesses but without a formal Business Association.

6.3. Wood Green BID

- 6.3.1. Investment in Wood Green is central to the Council's ambitions to support businesses and economic growth for the area. Wood Green boasts a huge shopping centre with many leading brands. But it is also home to a rich community of independents, particularly in the food & beverage sector. It is well-connected by public transport and is the gateway to Alexandra Palace – an events venue of growing significance. However, businesses have reported that a limited retail offer, crime and a poor image are significant issues – and that a BID in Wood Green could make a measurable difference in this area.
- 6.3.2. In October 2014, Cabinet approved the aims, objectives and core principles for the Investment Framework for Wood Green. This included funding for a development-focused Business Engagement Manager role. The purpose of the temporary role was to build relationships on the High Road and included delivering some work to establish what the route to a potential Business Improvement District (BID) might look like and whether it is a suitable tool for improving town centre management in Wood Green for the longer term.
- 6.3.3. A report dated August 2015 was prepared setting out the rationale for establishing Business Forums in both Wood Green and Tottenham as a first step towards the development of a BID. The report included the proposal to appoint an external BID manager to lead on a BID feasibility study which would formally assess the potential and demand for a BID model in Wood Green with businesses and key stakeholders.

6.3.4. After a period of engagement and the formation of a Business Group, the Wood Green Business Forum was constituted. Terms of Reference were first drafted in September 2015. The Business Forum consisted of businesses and key stakeholders including the Metropolitan Police Service (MPS) who committed to working in partnership with Wood Green businesses in helping to prevent loss, crime and anti-social behaviour, creating a safer environment for shoppers.

6.4. Crime Prevention and Metropolitan Police Service (MPS)

6.4.1. One of the aims and objectives in the Wood Green regeneration programme, as set out in the Wood Green Investment Framework Cabinet report dated October 2015, is the reduction of crime and anti-social behaviour in the town centre.

6.4.2. In 2015 the rate of reported crime in Noel Park ward was one of the highest in the borough (200.1/1,000 population). Noel Park ward contains much of the high road, with one of the highest footfalls in London and also the Wood Green Shopping Centre. In the year ending October 2015 there were around 2,082 recorded offences in the Wood Green Shopping Centre, with theft offences accounting for half (49%) of all offences. Theft from shops within the Wood Green Shopping Centre comprise 40% of all shop theft offences in the borough.

6.4.3. The MPS has been working with Haringey Council since 2015 in developing proposals for a BID in Wood Green and has been actively involved in the Business Forum. The MPS has committed funding through the Performance Reward Grant (PRG) which was awarded to Haringey Police from MOPAC to be delivered in partnership with Haringey.

6.4.4. Funding for Wood Green was allocated under strategic outcome 5: Implement the Mayor's Business Crime Strategy to prevent crime in key town centres / reduce MOPAC 7 crimes. MPS have committed revenue funding for Business Forum support and Business Improvement District (BID) preparation and capital funding for the establishment of a Business Forum and a Business Crime Reduction Partnership (BCRP) described as Investment in new technologies, including radio link, intranet system, community accreditation scheme, premises and crime prevention equipment.

6.4.5. It is envisaged that a sub group of the Wood Green BID would be a Business Crime Reduction Partnership.

6.5. BID Feasibility Study

6.5.1. Following a procurement process, a consultancy called The Means were commissioned in July 2016 by Haringey Council, to provide advice on the feasibility of developing a BID in Wood Green Town Centre. The

Means are specialists (with a successful track record) in BID development.

6.5.2. Over 100 business interviews took place over spring-summer 2016. The results showed that 67% of businesses were in support of the BID concept and 65% believed that a BID should be tested at ballot (*Appendix 4 – Summary of Levy Payers Consultation and Wood Green BID Feasibility Report, September 2016*).

6.5.3. Consultation with businesses during the BID Feasibility Study demonstrated that:

- (i) There is a perception that the core retail offer is out of date. Retailers are struggling to get the attention of shoppers despite regular refreshes of their stores.
- (ii) Of those consulted crime (84%) and overall image of the area (69%) were two of the top five issues businesses felt were affecting Wood Green.
- (iii) A BID in Wood Green should provide investment to improve the experience, marketing and viability of Wood Green and thereby enhance the economic growth of the area and positive outcomes for residents.
- (iv) Membership of a BID in Wood Green will allow businesses to come together and forge a strong partnership, collective voice and influence the development of the area and benefit from joint investment and procurement exercises.

6.5.4. Following the outcome of the BID Feasibility Study, in consultation with the Wood Green Business Forum, Haringey committed to funding the BID Development Stage.

6.6. BID Development Stage and BID Ballot

6.6.1. Following a further procurement process, The Means were commissioned in June 2017 by Haringey Council, to commence the BID Development Stage.

6.6.2. A Wood Green BID Steering Group has been set up as part of Wood Green Business Forum which includes representation as follows:

- (i) The Mall
- (ii) Metropolitan Police Service
- (iii) National retailers (McDonalds and Metro bank)
- (iv) Local Independent retailers (Big Green Bookshop, The Green Rooms, Mix Max)
- (v) The Means
- (vi) Haringey Council: Wood Green Regeneration Team and Economic Development

- 6.6.3. The Wood Green BID Steering Group has been meeting monthly and will continue to do so over the coming months to set out its ambition for Wood Green and develop the principles for the Business Case. In summary ambition is:
- to improve the image of Wood Green and its London-wide reputation,
 - to maximise the benefits to the town centre of the investment that will be taking place over the coming decades,
 - to support crime reduction measures and public realm improvements,
 - and add value to the realisation of the Wood Green Area Action Plan's economic objectives, which will be creating over 4,000 jobs
- 6.6.4. A number of Wood Green BID objectives have arisen directly from the direct consultation carried out during the BID Feasibility Stage (these can be seen in more details in Appendix 1):
- (i) Better Experience (Safe and Secure: Expand and manage the crime information sharing network; On-street security presence; business training events for tackling crime. Better Welcome: additional cleaning in hot spots; Micro-greening projects; Training and small match-grant fund for businesses to improve shop-fronts; consistent level of customer service training to staff)
 - (ii) Image & Perception (Getting the basics right & keeping local spend here: well managed activities; adopting the #LoveWoodGreen slogan to create a PR campaign with a strong visual image for Wood Green; managing a series activities aimed at small businesses; attracting new customers: PR and social media training for businesses; working with Alexandra Palace and celebrating Wood Green's assets.
 - (iii) Stronger Business Community (Saving businesses money: 'better economies of scale'; acting as a strong business voice on big issues; acting as a central conduit to improve communication; with other key stakeholders, create and deliver a strategy for increasing the restaurant and retail diversity).
- 6.6.5. Subject to a 'yes' vote at ballot in March 2018, the Wood Green BID could commence in July 2018 and its first term would run for five years. To continue thereafter, a renewal ballot process would be required to secure a further BID term of up to five years. The BID Proposal sets out businesses' priorities for improvements for the area and area services, as well as how the BID will be managed and operated.
- 6.6.6. The BID would operate with the principles of adding value to existing council services, leverage of at least 25% additional resources, providing measurable impact, and not being used to off-set spending reductions.

6.7. BID Levy

- 6.7.1. The BID levy would be payable by hereditaments within the BID area on the Non Domestic Ratings List based on an agreed threshold value. This threshold will be determined by the BID Steering Group. The Wood Green BID Steering Group has recommended a threshold of £12,000 Rateable value (businesses of £12,000 and under will not vote or pay levy). Based on this threshold 149 business (of 500 businesses in the catchment area) will be exempt from paying levy
- 6.7.2. Nationally BIDs have set their levy rate between 1.0%-1.5 % of rateable value of hereditaments. The Wood Green BID Steering Group has recommended a levy of 1.25% of the rateable value of all properties within the BID area.
- 6.7.3. The proposed BID area is illustrated in Appendix 7 and encompasses retail area between Wood Green and Turnpike Lane Underground Stations. The BID levy will be charged for each hereditament subject to business rates listed in the most up-to-date Non-Domestic Rating List.
- 6.7.4. The total number of hereditaments in the BID area is 500. Based on a threshold of £12,000, 351 businesses will be eligible for the levy. At the rate of 1.25% levy the BID would generate £385,000 of revenue per year. A total 149 small businesses will be exempt from paying levy.
- 6.7.5. Where a hereditament is occupied by a Registered Charity and is in receipt of Mandatory Rate relief (as prescribed by section 43 and 45 of the Local Government Finance Act 1988 (LGFA88)), that hereditament shall receive 80% relief from the rate it would otherwise be eligible to pay.
- 6.7.6. There are 15 hereditaments (eligible for levy) in the BID area that have Haringey Council as the Property Contact Name on the ratings data within the following properties: 10 Station Rd, 38-46 Station Rd, 48 Station Rd, 40 Cumberland Road, Alexandra House, River Park House, Bury Road Car Park and Wood Green Library. The Council would have a vote for each one. The total levy contribution for these properties would be maximum of £31,540.62 (based on a 1.25% levy).
- 6.7.7. In other areas in England where the Council has a significant presence these councils have paid the following amounts annually on their properties:
- In Vauxhall, Lambeth Council pay about £30,000
 - In Stratford, Newham Council pay about £21,000
 - In Southampton, the City Council pay about: £30,000
 - In Stockport, the Town Council pay about: £49,000

6.8. Council Duties

- 6.8.1. The BID Steering Group, supported by *The Means*, have approached the council to ensure that 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. An Operating Agreement, as part of the financial management arrangements for the BID, has been drafted and attached in draft form (Appendix 3). A schedule of existing baseline services has been produced by Council officers and is included in the BID Proposals as required in the BID Regulations 2004 (Appendix 1). A potential preamble to this schedule (Baseline Agreement) is being discussed and is not included in this report. These documents are subject to further discussion and agreement between the parties and would have to be finalised, once the BID Proposals are approved, with the BID Company that is to be set up to operate the BID.
- 6.8.2. The Operating Agreement establishes the arrangements by which the BID Levy shall be collected and general arrangements as to the relationship to be established between the council and the BID Company for the duration of the BID. The Council is the billing authority for the purposes of the Local Government Act 2003 and is responsible for collecting the BID Levy and administering the BID Revenue Account which shall be used towards the operation of the BID. The BID Company is responsible for the operation of the BID and for using the BID Levy for the purposes of achieving the objectives and aspirations set out in its proposals.

The agreement:

- Establishes the procedure for calculating the BID Levy
 - Confirms the basis upon which the council will be responsible for collecting the BID Levy
 - Sets out the enforcement mechanisms available for collection of the BID Levy
 - Sets out the procedures for accounting and transference of the BID Levy
 - Provides for the monitoring and review of the collection of the BID Levy
 - Confirms the manner in which the Council's expenses incurred in collecting the BID Levy shall be paid (by the BID Company)
- 6.8.3. The Baseline Agreement will be a preamble to the schedule of baseline services included in the BID Proposals, which are provided by the Council within the BID Area and that may overlap with the BID's area of activity. The Baseline Agreement seeks, for the avoidance of doubt, to set out:
- The standard services provided by the Council within the BID Area
 - The benchmark levels against which the provision of these services will be measured so as to ensure that whenever the BID Company wishes to provide any additional/complementary services these

services are not services which the Council should be providing pursuant to their existing statutory duties

- The mechanism for the continued monitoring and review of the standard services

It ensures that the BID Levy will not be used by the council to fund or procure the standard services and establishes general principles of partnership between the Council and the BID company to help ensure the effective delivery of any complementary services agreed during the BID term.

6.8.4. If the ballot is successful, a BID Company will be established. The Bid Company will be responsible for delivery of the business plan and will be accountable to its levy payers, including the Council as a levy payer. As a private not-for-profit company limited by guarantee, the BID Company will be required to submit annual accounts to Companies House. Procedures governing the administration of the BID levy are outlined in the BID Regulations and in the draft Operating Agreement. The BID Proposer has included Financial Management and Governance Policy Recommendations for the BID in Appendix 3. The not-for-profit element will be embedded in the Articles of Association.

6.8.5. The BID Company will be governed by a Board of Directors comprised of the representatives of all sections of the business community as follows. At least:

- 4 directors from 'large' BID members
- 4 directors from 'small' BID members

And up to:

- 1 director from a landowner with holdings in the BID area
- 2 directors from a non-levy paying occupier (ie. a voluntary member of the 'Business Club')
- 1 director from the Local Authority
- 2 directors from statutory authorities such as the Police, TfL or other relevant statutory body
- Other directors as the Board or members see fit

6.8.6. The BID Company will enter a formal agreement (the Operating Agreement) with LB Haringey's NNDR Service to collect the agreed levy on behalf of the BID Company. All costs will be borne by the BID Company. The Council will inform the BID company of the amount of levy collected and instruct the BID Company to invoice the NNDR Service to access the money

6.8.7. All costs, including, the cost of debt collection will be charged to the BID company. The initial hardware, software and resources will be paid for by the BID Company.

- 6.8.8. Significant consultation is being undertaken by the Steering Group members, Council officers and The Means with businesses of all sizes and sectors in the BID area to gauge support and develop proposals to meet local business demands. This will shape the final BID Proposals which will be forwarded for approval in the BID ballot. The BID priorities have arisen as a direct result of the BID Feasibility Study, which is attached at *Appendix 4*.

7. Contribution to strategic outcomes

- 7.2. **Priority 3: A clean and safe borough where people are proud to live:** The Wood Green BID can help to fund improvement to crime prevention, measures, street cleansing and rubbish collection services in Wood Green Town Centre, to create a safer and more attractive environment for residents and visitors

- 7.3. **Priority 4: Drive growth and employment from which everyone can benefit:** The Wood Green BID can enable businesses to be better supported and connected, providing them with services to improve their offer, boost business and give them a voice in the significant changes due to take place in Wood Green.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

It is the responsibility of the report author to take account of the financial, procurement, legal and equalities implications of any proposals in shaping their report and deciding what recommendations to make.

Finance

This report recommends:

- That Cabinet agree to support the BID Proposals and grants approval for the Returning Officer to hold a ballot on behalf of the BID Proposer.
- That in the event of agreeing the recommendation and a BID Ballot taking place, that Cabinet agrees to vote 'yes' in support of the BID in the Ballot – when exercising its voting rights for the Council owned properties in the BID area.

- 8.1 The services/projects to be carried out by the BID company will not overlap with any statutory service provided by the council.
- 8.2 This will not affect income from Business rate as businesses pay a tax (or levy) over and above Business Rates in order to fund projects and improvements (typically related to safety/security, cleansing and environmental measures) within the district's boundaries.

- 8.3 The occupiers and owner-occupiers of eligible hereditaments will pay BID levy at an indicative rate of 1.25% of Rateable Value per year.
- 8.4 The number of eligible hereditaments in the BID area is 351 based on the rateable value threshold of £12,000. Based on this threshold, it is estimated that BID levy out-turn will be approximately £385,000; which would be available for allocation against specified BID priorities.
- 8.5 The council will pay BID levy for council's properties within the BID area. It is estimated that 15 council hereditaments will fall within the BID area. It is estimated that the BID levy will cost the council £31,540 per year.
- 8.6 There is not enough provision in Landlord's NNDR budget for this levy. In the event there is a positive ballot outcome, provision would have to be made for these charges in the 2018/19 budget.
- 8.7 In accordance with the BID Regulations, the Council will be responsible for the billing, collection and transfer of the levy to the BID Company.
- 8.8 The cost of billing, collection and transfer of BID levy (administration costs) which is currently estimated at £20,223 annually plus a further £2000 annual Module Software Maintenance Costs which will be recharged to the BID company in full. There will also be a one- off first year cost of purchasing and setting up billing software again will be charged to the BID Company.
- 8.9 There will be a One-off ballot costs estimated at £3,000. This cost has been budgeted for by Regeneration Service regardless of the outcome of the ballot.
- 8.10 The BID levy is not VAT-able, so businesses will not pay VAT. Any VAT charged to the local authority by the BID Company can be recovered under section 33, VAT Government and Public Bodies.

Legal

The Assistant Director of Corporate Governance notes the contents of this report on which Legal Services have been consulted.

- 8.11 Legal Services confirm that the Local Government Act 2003 ("the LGA 2003") and the Business Improvement Districts (England) Regulations 2004 ("the BID Regulations") (both together "the BID Legislation") provide the statutory powers and framework to enable a Business Improvement District (BID) to be established and operated.
- 8.12 Should the proposal succeed it is only the non-domestic rate payers (or a defined class of them) in the BID area who will be liable to pay the BID levy.

- 8.13 The Council needs to be satisfied that the final BID proposals submitted to the Council include all the necessary information set out in the regulations. This has been confirmed (see paragraph 4.4 of this report).
- 8.14 In addition as these proposals are not considered to conflict with Council policies, nor place an inequitable and significantly disproportionate financial burden on any class of non-domestic ratepayer as a result of manipulation of the BID area or BID levy (see paragraphs 4.6 and 4.7 of this report). Therefore, Council is obliged to hold a ballot to enable the affected businesses to vote on the BID proposals, and the risk of the Council exercising its power to veto the BID proposals in the event of a positive ballot is minimised.
- 8.15 As the Council occupies premises as a ratepayer in the proposed BID area, it will be entitled to vote in the ballot. It is recommended that authority is delegated to the Director of Regeneration, to vote on behalf of the Council.
- 8.16 In the event of a successful ballot legal agreements between the Council and the BID will be entered into. The Operating Agreement will cover the process for the collection and enforcement of BID levy charges. The Baseline Agreement will cover the various services that the BID will carry out and the services the Council will continue to deliver for the duration of BID
- 8.17 The Assistant Director of Corporate Governance is not currently aware of any reasons why Cabinet should not be asked to support proposals for a Wood Green BID or for the holding of a BID ballot to gauge public support for setting up such a BID.

Equality

- 8.18 the Council has a public sector equality duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity for those with 'protected characteristics' and those without them
 - Foster good relations between those with 'protected characteristics' and those without them.
 - The protected characteristics are: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

The Wood Green BID Steering Group, The Means and the Council have carried out significant consultation with the business community and are continuing to do so. They have carried out detailed interviews with 100 businesses as part of the feasibility study and over the summer months and

Ballot Campaign and hope to engage with 60% of the likely BID levy payers by the time that they formally submit the BID Proposal.

- 8.19 A copy of an Equality Impact Assessment is attached. Please see appendix 6.

1. Use of Appendices

Appendix 1: BID Proposal
Appendix 2: Estimated 5-year Business Plan
Appendix 3: Draft Financial Management Arrangements
Appendix 4: Summary of levy payer consultation
Appendix 5: Map of the BID area
Appendix 6: Equality Impact Assessment
Appendix 7: Map of BID area

2. Local Government (Access to Information) Act 1985