



**Report for: Cabinet**

---

<b>Date of Meeting:</b>	26 October 2023
<b>Subject:</b>	Harrow Town Centre Business Improvement District
<b>Key Decision:</b>	Yes  The decision affects Harrow Metropolitan Town Centre whose catchment area is greater than one ward. The income generated over the term of the HA1BID will be greater than £500,000
<b>Responsible Officer:</b>	Mark Billington, Director Inclusive Economy, Leisure and Culture
<b>Portfolio Holder:</b>	Cllr Norman Stevenson Portfolio Holder Business, Employment and Property and Cllr David Ashton Portfolio Holder Finance and Human Resources
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	Greenhill
<b>Enclosures:</b>	Operating Agreement, Draft Business Plan of Harrow Town Centre Business Improvement District (HA1BID).

## **Section 1 – Summary and Recommendations**

This report sets out the benefits of Harrow Town Centre Business Improvement District (HA1BID) and the rationale for voting “Yes” for a third term of the HA1BID.

### **Recommendations:**

Cabinet is requested to:

1. Approve a third term for the Harrow Town Centre Business Improvement District for a further five years.
2. Delegate the casting of the vote to Cllr Paul Osborn, Leader of the Council and Strategy Portfolio Holder
3. Note that the Operating Agreement between The London Borough of Harrow and the BID company will be authorised and signed under officer delegated powers.

### **Reason:**

The HA1BID provides a vehicle to raise additional funds to invest in Harrow Metropolitan Town Centre and to provide a voice for businesses within the BID boundaries.

## **Section 2 – Report**

1. The HA1BID was established in 2013 following a ballot of eligible voters in Harrow Metropolitan Town Centre. There was a second ballot in 2018 with businesses voting to retain the BID for a second term. There will be a third ballot between 15<sup>th</sup> November and 14<sup>th</sup> December 2023. The BID between 2018 to 2024 will have generated £2,268,226. If the BID secures a third term further investment from businesses would be secured for Harrow Town Centre. The key themes of HA1BID are Clean, Green and Safe. If the HA1BID secures a third term, it will be able to use funds raised from a levy on the business rates to invest in those themes. Those themes closely align with the corporate priority of “A borough that is clean and safe”. The Green theme is in line with the London Borough of Harrow’s Climate Change Strategy.

### **Options considered**

#### 2. Option 1 :

The London Borough of Harrow votes in favour of a third term of the HA1 BID

#### 2.1 Option 2 :

The London Borough of Harrow abstains from the BID Ballot

#### 2.2 Option 3 :

The London Borough of Harrow votes against a third term of the HA1 BID

2.3 Option 2 and 3 are rejected. This is for a number of reasons. The HA1BID provides a vehicle to raise additional funds to invest in Harrow Metropolitan

Town Centre. The BID proposal aligns to the corporate priority of a borough that is clean and safe.

2.4 The Operating Agreement between the local authority and the BID company which is attached to this document, sets out the arrangements by which the BID Levy shall be collected together with general arrangements on the relationship to be established between Harrow Council and the HA1 BID Company for the duration of the BID. Those arrangements are as follows:

- Confirm the basis upon which the Council will be responsible for collecting the BID Levy.
- Agree enforcement mechanisms for the collection of the BID Levy
- Set out procedures for accounting and transference of the BID Levy
- Set out procedures for monitoring and review of the collection of the BID Levy
- Identify and agree the baseline services that are currently provided by the Council in the BID

If the HA1BID is retained, additional money can be invested by the BID board in street cleansing and measures to reduce anti-social behaviour. This investment would be through a Baseline Agreement with the local authority which sets out the local authorities services in Harrow Metropolitan Town Centre and provides an opportunity for the BID to purchase additional services from the local authority or from a third party.

The attached HA1 Business Plan sets out the BID's role, its past achievements, proposed objectives, actions, budget and governance arrangements. The area covered includes in full or in part the following Clarendon Road, College Road, Greenhill Way, Gayton Road, Havelock Place, St Ann's Road, St John's Road, Station Road, St Ann's Shopping Centre, St George's Shopping Centre, and William Carey Way. The Operating Agreement sets out each hereditament.

The retention of a BID would ensure a single body is able to co-ordinate activities with over 200 businesses, the police and the London Borough of Harrow in Harrow's key commercial hub.

2.5 HA1BID was the central body in supporting the London Borough of Harrow to dispense mandatory and discretionary grants to businesses during the pandemic and to communicate key messages directly to its members. Furthermore, in the absence of a BID the London Borough of Harrow would need to identify the resources to provide a town centre management function.

## **Background**

3. A Business Improvement District (BID) is a flexible funding mechanism to improve and manage a clearly defined commercial area. The HA1BID area includes St Ann's Road and parts of College Road, Station Road, Kymberly Road, Greenhill Way Car Park, and one address respectively on Gayton Road, St John's Road and Headstone Road. (Streets attached as a background paper). The geography of the BID is defined by the BID board, the Board is chosen from eligible businesses within that defined commercial area.

3.1 The BID raises income from an additional levy on “all defined ratepayers” following a majority vote. The BID levy is chargeable on the occupier rather than the owner. The proposed HA1 BID Levy will be applied to rated properties in the BID with a rateable value of £30,000 or more. This will exempt small businesses. The levy will be a fixed rate of 2% Rateable Value as at 1 April 2024 using the 2023 list for all eligible rate payers. This means that businesses that qualify to pay the levy, will pay no more than they did between 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2024. The BID levy will raise circa £330,000 per annum to be reinvested in Harrow Metropolitan Town Centre. The levy is collected by the London Borough of Harrow. The collection costs are met by the BID.

3.2 A BID provides the financial and management structure necessary to implement projects which have been agreed in a BID proposal (business plan). The Proposal is developed in consultation with businesses in the BID boundary. Eligible businesses will then vote in favour or against the establishment of a BID.

## Current situation

4. On the 14<sup>th</sup> July 2023 the HA1BD Board wrote to the Secretary of State, Department of Levelling Up Housing and Communities stating its intention to ballot in accordance with the Business Improvement Districts (England) Regulations (2004).

4.1 The HA1BID Board wrote to the council on the 24<sup>th</sup> July stating “it will be seeking a third 5 year mandate by way of a ballot of businesses as indicated in the attached Notification of Ballot to the Secretary State.”

4.2 The BID ballot will be undertaken between the 15<sup>th</sup> November to 14<sup>th</sup> December, with the result announced on the 15<sup>th</sup> December 2023.

4.3 At the last ballot in 2018, 90% of businesses voted in favour of the BID

4.4 The London Borough of Harrow Electoral Services will administer the ballot and the cost of administering the ballot will be met by the BID. The collection and IT costs of collecting the levy will also be met by HA1BID.

4.5 A third term of the HA1BID will have no negative implication on resources or staffing. The systems are already in place should businesses vote in favour of a third term for the BID. However, the London Borough of Harrow will be required to pay the levy of £9,520 based on the following hereditaments.

<b>Hereditament</b>	<b>Cost</b>
Car Park at Queen’s House, Kymberly Rd HA1	£1513
Car Park (South) Greenhill Way, HA1 1LE	£2635
Vip Nursing, Pt 3 <sup>rd</sup> Floor, Kings House, Kymberly Rd, HA1 1YR	£773.5

Greenhill Library, Percival Sq, College Road, HA1 1AA	£3,128
3 <sup>rd</sup> Floor, Kings House, Kymberly Rd, HA1 1YR	£1,470.50
<b>Total</b>	<b>£9,520</b>

4.6 A Baseline Agreement between the London Borough of Harrow and the HA1BID sets out the baseline position for Street Cleansing, Refuse and Waste Collection, Street Lighting, Enforcement, Environmental Health and Greening (inspection and remedial work on trees). The HA1BID can use its income to buy additional work above the baseline.

### Ward Councillors'

Greenhill Ward members have been consulted and support the HA1 BID.

### Performance Issues

5. The Corporate Scorecard measures footfall and town centre vacancy rates. The information in footfall is provided by Springboard and funded by HA1BID. The town centre has seen a continued rise in footfall since the ending of trading restrictions imposed to restrict the spread of Covid. The town centre vacancy rates are lower now than in 2013 when the BID was formed. It is difficult to show a correlation between a reduction in empty shops, the activities of HA1BID against what would have happened without a BID. However, there would have been a reduction of over £3million spent on events to attract shoppers, and additional funding to address anti-social behaviour and street cleansing.

## 6. Risk Management Implications

Risks included on corporate or directorate risk register? **/No**

Separate risk register in place? **No**

The relevant risks contained in the register are attached/summarised below.  
**Yes**

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
If the recommendation is not agreed, a vehicle to provide an economic benefit and raise additional funds to invest in Harrow Metropolitan Town Centre and also to provide a voice for businesses within the BID boundaries, would not be offered to the borough	Acceptance of the report's recommendations will mitigate this risk	<b>GREEN</b>

Risk Description	Mitigations	RAG Status
The HA1 BID secures a YES vote from businesses, and the London Borough of Harrow vetoes the BID, and any person who was entitled to vote in the ballot appeals to the Secretary of State.	The London Borough of Harrow votes YES	<b>GREEN</b>

## Procurement Implications

There are no direct procurement implications arising from the recommendation of this report. Any procurement arising will be supporting by the Corporate procurement team and undertaken compliant with the Public Contracts Regulations and the Contract Procedure Rules.

## Legal Implications

Business Improvement Districts (BIDs) were introduced by Part 4 of the Local Government Act 2003 (LGA 2003). Their establishment, enforcement and operation is regulated by the framework set out in the LGA 2003 and the Business Improvement Districts (England) Regulations 2004 (BID regulations) as amended by the Business Improvement Districts (England) (Amendment) Regulations 2013.

Setting up a BID enables businesses to work together alongside local authorities to effect improvements to the area in which they operate. BIDs allow the local business community to obtain additional, environment-enhancing services through a BID levy paid to the local authority in a similar way to non-domestic rates.

BID arrangements are not to come into force unless proposals for the arrangements (“BID proposals”) are approved by a ballot of the non-domestic ratepayers in the proposed business improvement district who are to be liable for the proposed BID levy.

The proposers set out in their BID proposal the period for which BID arrangements are to run. The legislation sets the maximum period as five years. At the end of a period, it is possible for the BID board to seek to renew the BID (section 54, LGA 2003).

Renewal of BID arrangements is brought about in much the same way as the original establishment of the BID, through a ballot. A BID renewal ballot operates under broadly the same system as an original BID ballot, including the submission of a proposal for terms of the renewal scheme.

When a BID period expires, the BID does not have to be renewed in identical terms to the original arrangements. This means that there is scope to amend BIDs at the renewal stage, for example, by altering the BID area or the class of non-domestic ratepayers liable for the BID levy.

Under section 51 of the LGA 2003, the London Borough of Harrow may, in prescribed circumstances, veto the proposals within 14 days from the date of the ballot as may be prescribed. The prescribed circumstances are that the London Borough of Harrow 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 authority (whether or not the authority 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.

In deciding whether to exercise the veto, the London Borough of Harrow is to have regard to following prescribed matters:

- (a) the level of support (as evidenced by the result of the BID ballot or re-ballot of a BID ballot, as the case may be) for the BID proposals;
- (b) the nature and extent of the conflict referred to in paragraph (a);
- (c) in relation to paragraph (b), the structure of the proposed BID levy and how the financial burden of the BID is to be distributed amongst ratepayers in the geographical area of the BID;
- (d) the extent to which the BID proposer discussed the BID proposals with the authority before submitting the BID proposals to the authority; and
- (e) the cost incurred by any person up to 14 working days from the day of the ballot in developing the BID proposals and canvassing in relation to the BID proposals.

If the London Borough of Harrow vetoes BID proposals, it must give notice of the exercise of the veto to the persons entitled to vote in the ballot, and a copy of the notice must be sent to the Secretary of State. The notice

- (a) must set out the reasons for the exercise of the veto, and
- (b) must give details of the right of appeal to the Secretary of State under section 52 of the LGA 2003.

If the BID proposals are vetoed by the London Borough of Harrow, BID arrangements which give effect to the proposals are not to come into force unless the Secretary of State allows an appeal against the veto under section 52. Where the Secretary of State allows such an appeal, BID arrangements which give effect to the proposals are to come into force on such day as the Secretary of State may determine.

## **Financial Implications**

As The Harrow BID is seeking a third 5 year mandate by way of a ballot, there would be a one-off cost of administering the ballot by the Council's Electoral Services. This will be fully recovered from HA1BID. The BID levy will be collected by the Council on behalf of HA1BID. The collection costs will also be fully recovered from HA1BID.

As the Council has hereditaments within the BID area as set out in paragraph 4.5, it will also be liable for the BID levy should businesses vote in favour of the third term of the BID. This is estimated at £9,520 per annum, relating to car parks, Greenhill Library and Kings House. The levy will be met from the revenue budget of respective service areas.

## **Equalities implications / Public Sector Equality Duty**

The Equality Impact Assessment stated that the proposal to vote in favour of a third term for the Harrow Business Improvement District positively impacts some groups with protected characteristics.

The London Borough of Harrow is one of the most culturally diverse local authorities in the UK, with over 60% of residents being Black, Asian, Multi-ethnic or Other ethnic group.

Throughout the year, the HA1 BID organise events to mark a variety of celebrations and traditions which reflects Harrow's diverse community.

## **Council Priorities**

Please identify how the decision sought delivers this priority. ???/

- 1. A council that puts residents first**
- 2. A borough that is clean and safe**
- 3. A place where those in need are supported**

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Jessie Mann**

Signed on behalf of the Chief Financial Officer

**Date: 11 September 2023**

**Statutory Officer: Stephen Dorrian**

Signed on behalf of the Monitoring Officer

**Date: 14 August 2023**



**Chief Officer: Dipti Patel**  
Signed off by the Corporate Director  
**Date: 27 September 2023**

**Head of Procurement:**  
Signed by the Head of Procurement Nimesh Mehta

**Date: 14 August 2023**

**Head of Internal Audit: Neale Burns**  
Signed on behalf of Head of Internal Audit  
**Date: 17 August 2023**

Has the Portfolio Holder(s) been consulted? Yes

## **Mandatory Checks**

Ward Councillors notified: YES

EqlA carried out: YES

EqlA cleared by: Yasmeen Hussain

## **Section 4 - Contact Details and Background Papers**

**Contact:** Mark Billington, Director Inclusive Economy, Leisure and Culture [mark.billington@harrow.gov.uk](mailto:mark.billington@harrow.gov.uk).

**Background Papers:** None

**Call-in waived by the Chair of Overview and Scrutiny Committee: No**