

BID Proposal for Willow Lane Industrial Estate 2009

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BUSINESS IMPROVEMENT DISTRICT (BID) PROPOSAL FOR THE WILLOW LANE INDUSTRIAL ESTATE MITCHAM

1. Executive Summary

a) Summary of Proposal

Following an initiative from the London Development Agency (LDA) through their Estates Excellence South London Programme (EESLP), a survey has been carried out on the Willow Lane Estate to identify any current and future issues that need to be addressed to further improve the estate for the companies and their employees. After a meeting with the officers from the London Borough of Merton and the Willow Action Group (WAG) it has been identified that the best long-term solution to address these issues is to achieve BID (Business Improvement District) status for The Willow Lane Industrial Estate.

WAG has been operating since 2003 representing the interests of the estate and giving the business view to the London Borough of Merton and Police. WAG has attended regularly the Cricket Green Ward Safer Neighbourhood Meetings and has communicated the outcomes to the estate.

During the past 5 years WAG has raised money for 10 CCTV cameras, pressed the London Borough of Merton to resurface Wates Way, and had a post box installed at the exit to the estate. WAG has arranged for waste bins to be installed and has lobbied for a bus and tram stop. Liaison with the Police has helped to reduce vandalism, fly tipping and crime.

All of this has been achieved and funded with voluntary contributions from the businesses. The number of companies supporting WAG financially has grown since its inception as has its achievements. It is sensible for this activity to be formalised, its activities to be expanded to deal with the matters which are concerning those people on the estate and for the costs to be borne by all those enjoying them. A BID would secure 5 years funding and enable the committee to have a more structured and planned approach.

b) Funding and Finance

If the BID is accepted in the ballot, all businesses will pay contributions for 5 years from the start of the BID period, on the 1st July 2009. The cost of contributions paid by businesses is set out in the table of BID Levy band rates section 2 f (the BID levy rules)

The projected income and expenditure for the 5 years to 30 June 2014 is shown in the following table: -

INCOME	£K	£K
Business contributions	250	
Business Grants for CCTV	15	
Total Projected Income		265
EXPENDITURE		
Estate coordinator (July 2009 – 2014)	65	
Expenditure on office facilities	25	
Expenditure on CCTV	45	
Small projects and other running costs	30	
Bridge re-opening fund	20	
Contingency	20	
Recycling initiatives	20	
CCTV Grant	15	
BID collection costs	15	
BID costs	10	
Total Projected Expenditure		<u>265</u>

Details of the budget breakdown into years and probable projects are included in section 3.

2. Understanding a BID at Willow Lane Industrial Estate

a) What is a Business Improvement District (BID)?

A BID is a designated area within which all businesses have agreed, following a ballot (see 3c) to pay a levy, in addition to the national business rate, for improvements to the infrastructure and services in that area, over and above those provided by the public purse. The BID area is designated as Willow Lane Industrial Estate as defined in the Executive summary and shown on the BID map in Section 3f.

b) The BID Levy

The BID levy is the amount that each business contributes and is based on rateable value. Every business contributes towards the BID improvement programme, which they will directly benefit from. The contribution should be fair in relation to the benefits of the BID.

c) The BID Ballot

- 1) The BID ballot period will be 28 days leading up to 5th May 2009.
- 2) It will be organised and administered by the Returning Officer of the London Borough of Merton
- 3) Notice of the intention to hold a BID ballot was given to the Secretary of State on 16th December 2008.
- 4) The last day for London Borough of Merton to publish notice of the ballot to voters is on 15th March 2009
- 5) The London Borough of Merton will issue ballot papers on 1st April 2009.
- 6) Voting ends at 5pm on 5th May 2009.
- 7) The ballot result will be announced on the evening of 5th May 2009 and will be displayed on the SOLOMAN (Society of London Manufacturers) website www.soloman.co.uk, also www.willowlane.org.uk.

Before a BID is created it must be voted on and agreed in two different ways:

- 1) Firstly the number of non-domestic ratepayers actually voting must have a majority in favour of the BID. All defined ratepayers are entitled to one vote per entry on the rating list, on 1st April 2009
- 2) The aggregate of the rateable values of those actually voting for the BID proposal must exceed the aggregate of the rateable values of those voting against.

If either vote fails, then so does the BID. If the BID fails WAG could continue collecting voluntary contributions.

d) Consultation with Businesses

Consultations with the businesses about the improvements required on the Estate up to the end of January 2009 have formed the basis for the improvements proposed in the BID business plan. However the plan is flexible enough to accommodate improvement projects, which meet the criteria, laid down in the BID proposal.

WAG has already achieved a number of improvements, including:

- WAG established in 2003 to look after the interests of the estate
- Chairing and attending the bi-monthly Safer Neighbourhood Team meetings
- Review of crime issues with Police at these meetings

- Feeding back to companies on the estate about the current issues and the new developments
- Supplying CCTV evidence for the Police and Council enforcement officers to assist them with prosecutions
- Resurfacing of Wates Way
- Ongoing lobbying to get the Willow Lane bridge reopened

e) The BID Process at Willow Lane industrial Estate

Against the current background of representation by WAG on behalf of the businesses, we have successfully influenced the decisions taken by the London Borough of Merton that impact on the estate; to date all this has been supported by voluntary contributions. Because of this history of successful engagement with the LBM over the past 5 years, The Society of London Manufacturers (SOLOMAN) using funds from the London Development Agency has funded the estate worker for 60 days as part of the Estates Excellence Programme to work towards securing and establishing WAG as a permanent feature to represent the estate's interests.

To maximise the benefit of this WAG has decided that it should seek to establish a BID.

At a committee meeting held on 22 August 2007 the vote in favour of aiming to achieve BID status for the estate was unanimous.

If the BID ballot is successful, it will be the responsibility of the London Borough of Merton to collect the BID contributions due on behalf of WAG and they have agreed to do this for an estimated charge of charge £3k per annum. All of the funds collected will go directly to the estate Company

f) BID Levy Rules

Calculation of the BID Levy

The BID Levies in each of the five years for 1 July 2009 to 30 June 2010 will be calculated according to the following table of BID Levy bands. The bands apply to the rateable value for each hereditament using the 2005 Valuation list, as compiled by the Valuation Office Agency, and using any amended values shown on the schedules as at 1 April 2009. There will be a minimum levy of £100 per hereditament and a maximum levy of £700 per hereditament. No VAT will be charged to the businesses.

Table of BID Levy

<u>Bands based on rateable value</u>	<u>Annual BID Levy</u>
Up to £10,000	£ 100
£10,001 - 30,000	£ 250
£30,001 - 50,000	£ 350
£50,001 - 100,000	£ 500
Over £100,001	£ 700

The total BID levy paid by any single company with multiple hereditaments will be no more than £1000

Subsequent BID Levies will be calculated according to the above table of BID Levy bands of the rateable value of the hereditament using the 2005 list, as compiled by the Valuation Office Agency, and using any amended values shown on the schedules as at 1 April 2010 and 1 April in all subsequent years during the BID Term.

Rateable values shown on the Valuation Office Agency List following publication of the 2010 revaluation will be used instead on those shown on the 2005 List.

The Annual BID Levy figures in the table will be increased in BID year 2 and in subsequent BID years by two (2) per cent each year cumulatively in order to cover inflation. The minimum and maximum BID levy will also rise by the same percentage each year.

Appeals

Adjustments to the Rateable Value of a property on appeal or for any other reason will have no effect on the BID levy. The Rateable Value shown in the list at 1 April 2009 and each subsequent 1 April of the BID period will be frozen for that financial year and will continue to be used for the purposes of the calculation of the BID levy for the duration of the BID.

Vacation of Property

On vacation of a property the annual BID levy will not be apportioned on a daily basis. The ratepayer entitled to possession of the hereditament on 1 April 2009, and on each subsequent 1 April of the BID Term, will be the ratepayer subject to the BID Levy for the whole of that Financial Year, regardless of any change in occupation.

BID Levy Liabilities of the Parties

Where the Council and WAG Ltd have BID Levy liabilities within the BID area, each will pay the BID Levy in the same way as other BID Levy payers.

Instalment Payments

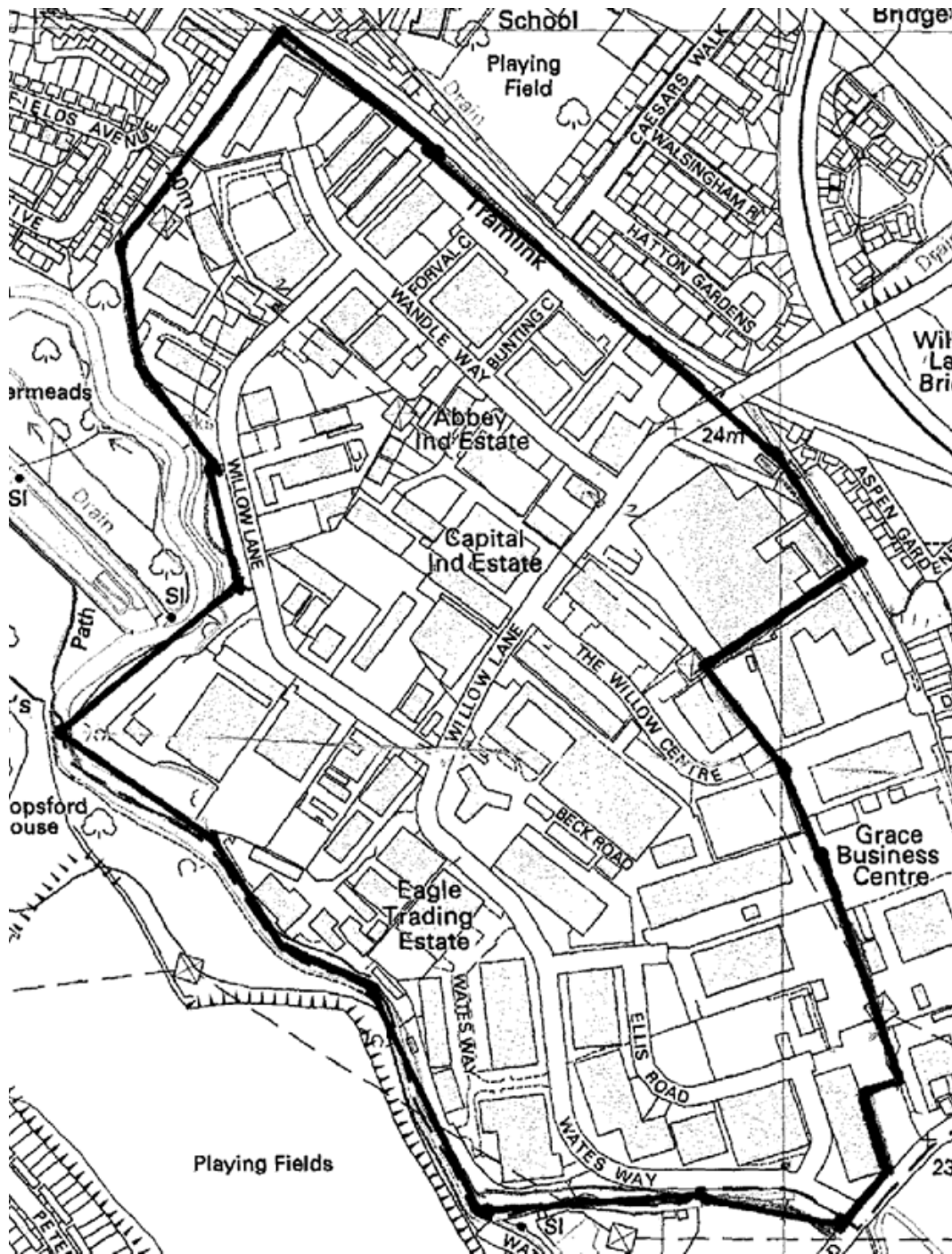
There is no provision for instalment payments

Exemptions from BID Levy Charges

The following table shows the properties that will be exempt or part exempt from BID Levy charges. The table makes a comparison with exemptions that may apply to properties subject to National Non-domestic rates.

Type of property	National Non-domestic rates	BID Levy charged on rateable value
Other industrial properties unoccupied for first six months	Exempt for six months	Full charge at the rate for levy band and subject to the minimum charge
Other non industrial properties unoccupied for the first three months	Exempt for 3 months	Full charge at the rate for levy band subject to the minimum charge
All other properties exempt from the National Non-domestic rates	Exempt	Full charge at the rate for levy band subject to the minimum charge
Partly occupied properties	Section 44a relief	Full charge at the rate for levy band and subject to the minimum charge
Registered charities and other organisations receiving the mandatory reductions of business rates.	Part exempt – maximum 80 per cent relief	To follow the National Non-domestic rates arrangements

g) Map of the BID



3. The BID Proposal

5 Year Plan for estate improvements and activities

a) Introduction and Aims

The 5 year plan has been drawn up following detailed consultations with businesses/ratepayers up to the end of June 2014. The aim is to continue this programme of representation to ensure that the voice of the businesses is heard and continue to lobby for more improvements to the estate

Security

- Continue to work closely with the Police Safer Neighbourhood Team and raise the profile of the security issues on the estate.
- Install more CCTV cameras around the estate (partially funded by LDA Grant).

Business support

- Regular attendance at Meetings to represent the views of the estate.
- Regular communication on any new developments.

Estate access

- Install internal estate signage to improve the location and information on the businesses.
- Lobby to get the Willow Lane bridge reopened with funding from the BID budget.

Estate Co-ordinator

- Estate worker employed 1 day a week to coordinate and support the management committee.

Transport and Green initiatives

- Lobby to get a bus service and tram stop for the estate.
- Green Projects; Green Travel, waste control, recycling initiatives.

b) Income and expenditure projections

	Year Ending 31 st March					£K
	2010	2011	2012	2013	2014	Total
Business contributions	50	50	50	50	50	250
Business Grants	15					15
Total Projected Income	65	50	50	50	50	265
<u>Expenditure on Projects</u>						
Expenditure on CCTV	25	5	5	5	5	45
CCTV Grant	15					15
Estate coordinator	12	13	13	13.5	13.5	65
Small projects and other running costs	6	6	6	6	6	30
Office space	5	5	5	5	5	25
BID costs	4	3	3	3	12	25
Contingency	4	4	4	4	4	20
Bridge Fund	5	10	5			20
Recycling initiative	4	4	4	4	4	20
Total Expenditure	80	50	45	40.5	49.5	265

4. BID Management

a) BID Proposer

The BID Proposer is The Willow Action Group (WAG),

b) BID Company Limited by Guarantee

A separate BID company is being formed to administer the BID from July 1st 2009 to 30th June 2014. The sole purpose of the company will be to administer the BID and carry out the BID projects for the good of the estate as a whole.

The Company will have a board of directors and all levy payers will have the right to become members. The initial board of directors will comprise of four or five of the estate businesses and one representative from the London Borough of Merton. The estate members will be as far as possible from different areas of the estate. However, within 90 days of the start of the BID elections will be held to appoint permanent directors. The company will cease to trade after 30th June 2014 unless a further 5-year BID is agreed.

Members will be consulted on at least an annual basis in respect of the projects to be carried out and the priority order and annual budgets will be prepared to support the controlled expenditure of funds on the agreed projects. Adequate procedures will be put in place to ensure that proper controls are exercised over financial and other critical matters.

Members will be able to vary the budget figures set out in this proposal either at the annual general meeting or extraordinary general meetings in order to respond to changing circumstances and developing priorities in the life of the BID period

The board will be responsible for all legal and statutory matters. In addition they will approve annual budgets, major projects etc for presentation to General meetings but the preparation of this work is delegated to the Estate coordinator.

c) Management

The board of directors will have overall responsibility for the BID and carrying out the BID business plan. However they will delegate the work leading up to the ballot to the Estate coordinator in conjunction with SOLOMAN and Merton Council.

The Estate Co-ordinator is responsible to the board and deals with all day-to-day matters; payment will be of routine bills, dealing with problems such as fly tipping, keeping signage up to date and communicating with the businesses.

The WAG committee and estate coordinator have demonstrated their capability to manage projects. See the list of achievements under section 3.

Currently there are around 200 businesses spanning a wide range of manufacturing and service industries.

5. The London Borough of Merton and Other Agreements

If the BID succeeds WAG and the London Borough of Merton will enter into two agreements

a) Baseline Services Agreement

This will define the services provided to the Willow Lane Industrial Estate by the London Borough of Merton prior to the formation of the BID and the circumstances in which service levels might be amended.

b) Operating Agreement

This will define the arrangements whereby the London Borough of Merton collects the BID levy on behalf of WAG

6. Agencies, Services and BID Contacts

a) Willow Action Group (WAG)

Chairman,
D Dadds DRD Communications, Connect House, 21 Willow Lane, Mitcham,
CR4 4NA tel 0208 288 1234

Treasurer
I Siddle, Arnold & Self, Wandle Way, Mitcham, CR4 4NB tel 0208 401 8778

Estate coordinator,
Maurice O'Connell, Connect House, 21, Willow Lane, Mitcham CR4 4NA 0208
274 3323 mauriceoconnell_5@hotmail.com

b) London Development Agency (LDA)

The LDA has been very supportive to the Estate and has provided some funding for the Estate coordinator through SOLOMAN.

c) SOLOMAN Society of London Manufacturers

SOLOMAN has provided the Estate coordinator to facilitate the activities resulting in rapid progress and planning for the BID. SOLOMAN are likely to be able to supply a BID coordinator and other services for the 5-year period. Contact Ian Andrews, email ian@soloman.co.uk. tel 0845 055 1551

d) Metropolitan Police

Liaison with the Police with regular attendance at the Safer Neighbourhood team Meetings. contact Sgt Dan Hutchins

e) London Borough of Merton

Nick Smart, Principal Regeneration Officer (Economic Planning)
Merton Civic Centre, London Rd, Morden, Surrey, SM4 5DX tel 0208 545 3064

f) London BIDs

London BIDs is run by Partnerships Solutions on behalf of the London Development Agency. They are providing advice and training on all matters regarding the BID. contacts@londonbids.info

7. Monitoring the BID

a) Before the Ballot

BID committee meetings will be arranged on a regular basis to monitor progress and to discuss new projects, progress on current projects and monitor costs against budgets.

b) BID Monitoring and Output Measures

A BID review committee comprising a representative from Merton Council and SOLOMAN together with the Estate committee will be set up to monitor and review progress on a twice yearly basis.

The BID Company Board will agree with the monitoring committee a number of performance measures.

The following will be considered:

- Completion of the programme of projects included in section 3
- Business satisfaction surveys
- Maintenance audits
- Levy collection
- Crime statistics