



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Housing, Regeneration, Business and Economic Development
Date:	25 November 2016
Classification:	General Release
Title:	Heart of London Business Alliance Business Improvement District Renewal Proposal 2017-22
Wards Affected:	St James's and West End
Key Decision:	No
Financial Summary:	No additional costs to the City Council. The cost of administering the ballot is accommodated within existing budgets.
Report of:	Ed Watson, Executive Director of Growth, Planning and Housing Westminster City Council, 11th floor, City Hall, 64 Victoria Street, London SW1E 6QP, 02076415949, ewatson@westminster.gov.uk

1. Executive Summary

- 1.1 On 17 October 2016 the City Council received a Business Improvement District (BID) Renewal Proposal from Heart of London Business Alliance (HOLBA). The proposal seeks a fourth term to last until March 2022. The two Occupier BIDs cover the areas of Piccadilly and St James's and Leicester Square & Piccadilly Circus. The ballot is proposed to take place during February and March 2017 with the result of the ballot to be announced on the 24th March 2017.
- 1.2 The HOLBA Renewal Proposal reflects the priorities of their business community, ensuring that City for All and the West End Partnership's vision and delivery plans are at the forefront of their thinking.

- 1.3 HOLBA's vision is for a vibrant and successful world-class destination with a global reputation and distinct identity central to London's West End. This vision is complimented by HOLBA's single purpose mission to ensure the total experience in the area is genuinely world-class. To achieve this, the next five year term will focus on the following five key priorities:
- World Class Destination - Destination Marketing, International Showcasing and Inspirational Campaigns
 - Exceptional Public Spaces - Well-managed Places, A 24 Hour City, Better Air Quality and Iconic Public Spaces
 - Decisive Leadership & Influence - Government Advocacy, Business Rates, Your Champion and Powerful Partnerships
 - Robust Resilience & Infrastructure - Being Prepared and Reliable Infrastructure
 - Powerful Insight & Networks – Market Intelligence and Business Events
- 1.4 This report sets out the process described in the Business Improvement Districts (England) Regulations 2004, which HOLBA and the City Council are required to follow to secure a fourth term. It then describes HOLBA's future proposal, which has been developed closely with Council service portfolios.
- 1.5 Formally, the City Council only has the power to veto a BID proposal if it is contrary to formally adopted and published Council policy. The HOLBA Renewal Proposal is in line with Council policies and priorities and therefore this report recommends formal Council endorsement. The Cabinet Member for Housing, Regeneration, Business and Economic Development is responsible for BIDs and so is asked to agree the recommendations in the report.

2. Recommendations

- 2.1 That the Cabinet Member for Housing, Regeneration, Business and Economic Development endorses the HOLBA Renewal Proposal and formally decides that the City Council does not wish to veto the Proposal.
- 2.2 That the Cabinet Member for Housing, Regeneration, Business and Economic Development requests the Chief Executive as Returning Officer and "Ballot Holder" to hold a ballot for the proposed HOLBA Renewal Proposal.
- 2.3 That the Director of Law be authorised to complete the necessary legal agreements required for the operation of the BID Levy, Ballot and service arrangements and any other necessary matters for the proposed BID in consultation with the appropriate officers.

3. Reasons for Decision

- 3.1 HOLBA has a strong collaborative relationship with the Council. Examples include the new Leicester Square Management Plan, in which it will play an active role in supporting the management of the square. To date the BID has coordinated private sector interest in the funding of public realm improvements to side streets (one of which, Wickham St, is already on site); funds additional cleansing of Leicester Square at a cost of over £100,000 a year; and works closely with the Council's rough sleeping and city management teams on homelessness, begging and busking issues.

HOLBA has employed a dedicated Heart of London workplace coordinator at the Council's Recruit London initiative to connect Westminster residents with businesses looking to recruit. HOLBA is also an active contributor to the West End Partnership and its working groups, promoting freight reduction with its preferred supplier scheme involving local businesses.

- 3.2 HOLBA recently recruited Ros Morgan as its new Chief Executive. Ros has built up a reputation for collaborative working from her time running the Kingston Upon-Thames BID. Andy Godfrey of Boots continues as the Chair of HOLBA. It is anticipated that HOLBA will continue to play an active part in the joint working arrangements Westminster has set up for BIDs to liaise with City Council members and officers, to enable new ideas, plans and initiatives of mutual concern to be discussed prior to public launch. Officers will also continue to encourage HOLBA as with all BIDs to work collaboratively with each other on joint initiatives so as to avoid duplication of resources and contact with the Council.
- 3.3 This report describes the BID Renewal Proposal that has been submitted by HOLBA to continue into a fourth term. These do not conflict with City Council policies. The Cabinet Member is therefore asked to endorse the Renewal Proposal and other recommendations contained in this report. This report has been placed on the forward list of executive decisions.

4. Background, including Policy Context

- 4.1 Heart of London Business Alliance was established in 2001 and in 2005, working closely with businesses in the area, enjoyed a resounding 'yes' vote for the establishment of a Business Improvement District (BID), thus becoming the first central London BID. In February 2007, businesses gave a second vote of confidence establishing Heart of London as the first BID in the UK to successfully achieve a second term mandate, with 86% voting in favour. In 2012, 92% of businesses voted positively to continue to a third term: the first in the UK. At the same time, Heart of London successfully extended their area to include a BID for the Piccadilly & St James's area. In June 2015, Property Owners voted in favour of establishing the first two central London Property Owner Business Improvement Districts. Subsequently, in the Leicester Square & Piccadilly Circus

area, 85.5% of property owners voted in favour and in Piccadilly & St James's, 83% voted in favour.

- 4.2 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. HOLBA has submitted its BID Renewal Proposal for a fourth term to terminate on 31 March 2022. The City Council is statutorily bound to consider the proposal and hold a ballot of their businesses on HOLBA's behalf.
- 4.3 The process to become formally established or renewed is set out below in accordance with the 2004 BID Regulations
<http://www.legislation.gov.uk/ukdsi/2004/0110497252>:
- Formal notification to the local authority and Secretary of State
 - Request to local authority to hold a ballot, which must be accompanied by:
 - A copy of the BID proposals;
 - A summary of the consultation it has undertaken with those liable to pay the BID levy;
 - The proposed business plan to include estimates of cash flow, revenue and expenditure, the predicted budget and the contingency margin included in the budget;
 - The financial management arrangements for the BID body and the arrangements for periodically providing information to the City Council on the finances of the BID; and
 - Information to satisfy the City Council that it has sufficient funds to meet the costs of the ballot in case the BID is required to meet the ballot costs.
 - The City Council must consider whether the BID proposals conflict with any formally adopted and published policy by the City Council and whether they are likely 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).
- 4.4 If there is no conflict and the City Council is satisfied that the information provided by the BID body meets the requirements of the legislation, the City Council is required to instruct a ballot. The ballot holder for the City Council is the Chief Executive in his capacity as Returning Officer.
- 4.5 The ballot for HOLBA's proposed fourth term is due to take place during February and March 2017. If the majority of voters in the ballot support the proposals, and of those voting, there is also a majority by rateable value, then the BID will formally start its fourth term on 1 April 2017.

5. HOLBA Renewal Proposals

- 5.1 Heart of London Business Alliance (HOLBA) is the BID Proposer for the two Occupier-led BIDs and the legal entity that, assuming a successful ballot, will continue to provide governance and run the activities of the Occupier BID for both Leicester Square to Piccadilly Circus and Piccadilly & St James's respectively, alongside its two Property Owner BIDs. In keeping with legislative regulations, each BID will have separate budget accountability, while contributing to the overall business plan. The Leicester Square to Piccadilly Circus and Piccadilly & St James's ballots are administered separately but take place simultaneously. If one of the ballots is unsuccessful, HOLBA will continue to run the activities of the other successful area. The Property Owner BIDs will continue to operate for their five-year mandates but will cease to exist at the end of the period if the corresponding Occupier BID fails to renew. The Board provides representation for each of the four BIDs. Members are nominated from a variety of occupiers and property owners to ensure a wide range of skills, experience and opinion.
- 5.2 HOLBA formally submitted its BID renewal proposals in October 2016. The area of the two BIDs has each changed slightly with some new BID properties and also some properties moving into Piccadilly and St James's BID area from the other BID area. The requirement for a closed year rule and a levy cap is being introduced for the first time on these BIDs. The proposed BID levy is 1% of rateable value on premises with a minimum rateable value of £175k for Piccadilly & St James's and £130k for Leicester Square and Piccadilly Circus, rising annually by 0.03%. Together with voluntary contributions, the budgeted programme of activity for each BID area over the next five year term is as follows:
- Piccadilly & St James's £4.875m
 - Leicester Square & Piccadilly Circus £4.385m
- 5.3 The ballot period lasts for a minimum of 28 days and is due to start on 21 February 2017 and finish on 23 March 2017. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.4 **ANNEX 1** summarises HOLBA's proposals for the next term grouped under the following themes:
- World Class Destination - Destination Marketing, International Showcasing and Inspirational Campaigns
 - Exceptional Public Spaces – Well-managed Places, A 24 Hour City, Better Air Quality and Iconic Public Spaces
 - Decisive Leadership & Influence - Government Advocacy, Business Rates, Your Champion and Powerful Partnerships
 - Robust Resilience & Infrastructure - Being Prepared and Reliable Infrastructure
 - Powerful Insight & Networks - Market Intelligence and Business Events

These accord with much of the City Council's own aspirations for the area and the city generally.

6. Financial Implications

- 6.1 The services provided by the BID will be integrated with those provided by the City Council. Other than staff time spent on negotiating the precise details of their provision, the services will not cause additional cost to the City Council.
- 6.2 The Business Improvement Districts (England) Regulations 2004 require the City Council to pay for the ballot, which is only recoverable in the event of a very low turnout of votes supporting the BID proposal. This can be met from existing budgets.
- 6.3 The City Council will be responsible for collecting the BID levy through the existing business rates system into a ring fenced BID fund before passing it over to the BID.
- 6.4 The requirement for a closed year rule and a levy cap is being introduced for the first time on these BIDs. This is an increase in complexity compared to the current and previous terms which will affect the administrative charges for the two BIDs.

7. Legal Implications

- 7.1 Legal agreements between the City Council and the BID will need to be drawn up to cover: the BID levy collection, and the service specification for various services such as cleansing and highways which the City Council will continue to deliver throughout the BID's duration, subject to periodic review and consultation with the BIDs.
- 7.2 The HOLBA Renewal Proposal contains the necessary information as set out in the regulations and as these proposals are not considered to conflict with City Council policies, then the City Council is obliged to hold a ballot to enable the affected businesses to vote on the BID proposals.

8. Consultation

- 8.1 HOLBA has carried out its own consultation with its businesses in formulating the Renewal Proposal. During 2015-16, an increasing number of businesses on the hinterland of the current BID areas began to show an interest in HOLBA's work, particularly to the west and south of the current boundary on Piccadilly and Jermyn Street. In one particular area, this development took a step forward in 2015 with the establishment of a Berkeley Street Monitoring Group. HOLBA report that feedback from Berkeley Street and St James's businesses has been positive towards working with HOLBA and this level of positivity has generally

extended to other areas nearby. Subsequently HOLBA plan to progress these opportunities outside their current boundaries, and work with businesses in a voluntary manner. This is with the potential to establish a separate BID area to operate under the Heart of London umbrella in the period 2017-2022.

8.2 Ward Members have been consulted during the drafting of this report.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact: Haylea Asadi, Strategic Manager – Business & Enterprise on hasadi@westminster.gov.uk or tel 020 7641 1842.

BACKGROUND PAPERS

The Heart of London Business Alliance 2017-22 Business Proposal dated 21 November 2016

For completion by the **Cabinet Member for Housing, Regeneration, Business and Economic Development**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Daniel Astaire, Cabinet Member for Housing, Regeneration, Business and Economic Development**

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Heart of London Business Alliance Business Improvement District Renewal Proposal 2017-22** and reject any alternative options which are referred to but not recommended.

Signed

Councillor Daniel Astaire, Cabinet Member for Housing, Regeneration, Business and Economic Development

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Appendix A

Other Implications

1. Resources Implications

There are no implications

2. Business Plan Implications

There are no implications though it is worth noting that BIDs make a valued contribution to priorities identified in the Economic Development Strategic Framework and Enterprise and Employment Programmes 2015-19. Significant additional investment in economic development is generated through Westminster's BIDs. The funding is used to implement the projects prioritised by the business community in the BID business plan. BIDs are taking an increasing role in place leadership, stewardship and driving local economic growth. While BIDs are business-led, they benefit those working, living and visiting the area.

3. Risk Management Implications

There are no implications

4. Health and Wellbeing Impact Assessment including Health and Safety Implications

There are no implications

5. Crime and Disorder Implications

There are no implications though it is worth noting that working collaboratively with partners to address crime and disorder matters features as a priority within HOLBA's Renewal Proposal

6. Impact on the Environment

There are no implications though it is worth noting that Air Quality features as a priority within HOLBA's Renewal Proposal

7. Equalities Implications

There are no implications

8. Staffing Implications

There are no implications

9. Human Rights Implications

There are no implications

10. Energy Measure Implications

There are no implications

11. Communications Implications

There are no implications though it should be noted that HOLBA's Renewal Proposal includes significant activity around destination marketing, international showcasing, inspirational campaigns, events, networking, advocacy, lobbying.

Note to report authors: If there are particularly significant implications in any of the above categories these should be moved to the main body of the report.