



City of Westminster Cabinet Member Report

Decision Maker:	Cllr Geoff Barraclough, Cabinet Member for Planning and Economic Development
Date:	03 July 2023
Classification:	General Release
Title:	St. James's New Occupier and Property Owner BID Proposal 2023 - 2028
Wards Affected:	St. James's
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:	Debbie Jackson, Executive Director – Growth, Planning & Housing

1. Executive Summary

- 1.1 In May 2023, the City Council received a proposal from the Heart of London Business Alliance (HOLBA) for new occupier and property owner new Business Improvement Districts (BIDs) in the St. James's area. The proposed BID boundary abuts with HOLBA's existing Piccadilly & St. James's BID, as well as the Northbank and Whitehall BIDs. The proposed BID extends south of the Piccadilly & St. James's BID and westwards to Green Park from the Northbank and Whitehall BIDs respectively.
- 1.2 This report outlines HOLBA's vision and focus over the next five years for the area. The new BID proposal has been submitted to the City Council with regard to holding two ballots in respect of the establishment of two new St. James's occupier and owner BIDs which cover the St. James's ward. The BID ballots are proposed to take place across October and November 2023 with the results of the two ballots to be announced on 29 November 2023.
- 1.3 In keeping with legislative regulations, each BID will have separate budget accountability, while contributing to the overall business plan. The BID ballots are administered separately but take place simultaneously. The Property Owner BID is dependent on the Occupier BID being voted in. A Property Owner BID cannot exist without an Occupier BID.

- 1.4 The new St. James's five-year BID proposal reflects the priorities of the BID's business community following extensive engagement. It ensures that the BID's priorities align with the work undertaken by the City Council to achieve the best outcomes for the local economy and community within the BID area.
- 1.5 HOLBA represents more than 600 business in the Heart of London's West End across three districts including Piccadilly and Jermyn Street; Leicester Square, Piccadilly Circus and Haymarket; and St Martin's. Since their establishment in 2004 the BID has generated and invested over £45m in BID levy income into the HOLBA districts and are now seeking to increase their annual ring-fenced levy income from £5 million to £8 million. St. James's is a unique former royal estate, home to world-renowned heritage and architecture, townscape and parks, differentiating the area from others with its own distinct identity.
- 1.6 This report describes HOLBA's new BID proposal, in respect of the establishment of the St. James's BID which has been reviewed and shaped by the relevant council services.
- 1.7 The Cabinet Member for Planning and Economic Development is responsible for BIDs and so is asked to approve the recommendations in the report.

2. Recommendations

- 2.1 That the Cabinet Member endorses HOLBA's new St. James's BID proposal.
- 2.2 To request the Chief Executive as the City Council's Returning Officer and "ballot holder" to hold a ballot for HOLBA in respect of the St. James's BID Proposal.
- 2.3 That the Director of Law be authorised on behalf of the City Council to enter into the necessary legal agreements for collection of the BID Levy. In addition, deal with related documentation which the City Council is required to enter into with HOLBA to deliver relevant services in relation to the St. James's BID area throughout the BID's first term and any other necessary legal matters as instructed and in consultation with the appropriate Council officers.

3. Reasons for Decision

- 3.1 HOLBA have successfully managed to generate and invest over £45million directly into the heart of London's West End and are seeking to amplify their reach, delivery and impact.
- 3.2 HOLBA has a strong collaborative relationship with the City Council and over the last two decades since their inception in Westminster, they have accomplished the following notable achievements for the area and their business members:
 - Secured £7 million of public realm investment for St Martin's Lane and Sackville Street
 - Developed public space proposals for a new Green Park Gateway and Arts Quarter for London

- An independent audit scored the Heart of London area 6% cleaner than the rest of the UK
- Reduced vehicle journeys by 47% via HOLBA's waste consolidation scheme
- Responded to over 5,500 on-street crimes and anti-social behaviour incidents
- Supported over 2,000 individuals sleeping on the streets in their districts
- Trained 600 West End employees in welfare and vulnerability awareness
- Secured over £2 million investment for consumer marketing, events, and attractions
- Art of London has generated over 3.9 billion in press reach since 2020
- Partnered on the Let's Do London tourism recovery campaign which generated £289m additional spend, 2.72 billion global press reach, and 585,000 additional visitors
- Helped save West End businesses £1 billion in business rates, payroll, and VAT relief
- Launched a first-of-its-kind public realm strategy, cultural strategy and, Evening and Night-Time Economy Strategy for the West End
- Hosted an inbound Trade Mission of emerging international brands to promote the West End as a location for their first European site

4. Background, including Policy Context

- 4.1 The City Council has a statutory duty to consider the proposal and hold the two occupier and property owner ballots on behalf of HOLBA.
- 4.2 The ballots for the proposed St. James's occupier and property owner BIDs are due to take place across the period of October and November 2023. If the majority of voters who vote in the ballot, both by aggregate rateable value and number voting, support the proposal, and the City Council does not exercise its right to veto the BID proposal, then the BIDs will formally start their first terms on 1 December 2023 and terminate on 30 November 2028.

5. St. James's BID Proposal

- 5.1 HOLBA (Company Number 04293930) is a not-for-profit company limited by guarantee. It was formed to operate the HOLBA BIDs and is the BID proposer putting forward the St. James's BID proposal for 2023 - 2028. Assuming a successful ballot, it is this legal entity that will continue to provide governance and run the activities of the BID supported by an experienced and effective team. The BID's Board is made up of representatives, key stakeholders and businesses from within the BID area to ensure balanced representation. The BID finances will be independently audited and reviewed each year.
- 5.2 The BID levy of 1.15% of the rateable value (RV) for all eligible hereditaments will be applied on all properties in the BID area which appear in the rating list with a RV of £225,000 or more. An inflationary increase of 0.03% will be applied annually on 1 April thereafter. A levy payer will not be liable to pay more than £50,000 on any hereditament in each HOLBA BID in any fiscal year. The BID levy will be a daily charge, paid annually in advance and will be calculated based upon the RV as at 31 March 2023.

- 5.3 Where the rateable value for individual hereditaments (rated properties) changes and results in a lower BID levy, it will only come into effect from the start of the fiscal year in which the change is made. Charitable organisations in receipt of mandatory charitable relief from rates will receive 80% allowance.
- 5.4 The BID levy will not be increased other than as specified in these levy rules. There will be no VAT charged on the BID levy. The BID levy is to be paid in full within 14 days of receipt of invoice. The liability for the daily BID levy will fall on the eligible ratepayer.
- 5.5 The priorities for the BID's first term have been identified following extensive consultation and engagement with ratepayers within the proposed BID footprint and other local businesses.
- 5.6 HOLBA's vision for the next five years has been split into five key areas of focus:
- *We will shape an accessible and sustainable St James's that is fit for purpose.*
 - *We will curate and promote a programme of art and culture, unique to St James's.*
 - *We will caretake the streets, keeping St James's clean, safe, and attractive.*
 - *We will champion our members' interests and ensure good growth and standards for St James's.*
 - *We will empower the St James's community to build a place of which they are proud.*

5.6.1 **Shaping an accessible and sustainable St James's**

The Heart of London area attracts 200 million visitors per year and is a global hub of commerce, culture, and tourism. The priority is to ensure that it remains fit for purpose and that its character is protected.

Enhancing public spaces

The BID has a proven track-record of delivering high-quality public realm schemes in collaboration with the City Council and other partners, taking into account the heritage of existing places, and improving public spaces to enhance community life. An example is the BID's current project - transforming Green Park and Piccadilly Gateway, St James's Church (Wren Project), and Sackville Street and Vigo Street. The BID will support the work of the Conservation Trust and will champion the implementation of the local Neighbourhood plan for the area. HOLBA will also proactively work with relevant stakeholders to develop a Public Realm Improvement and Investment Strategy for St. James's which promotes the character of the area, ensures it remains attractive, safe, accessible, and relevant.

Striving for sustainable and net-zero carbon West End

HOLBA are committed to supporting the West End's transition to a net-zero carbon economy by co-developing a Sustainability and Net-Zero Action Plan. This will include the promotion of green leases, investment in retrofitting and Westminster City Council's low carbon initiatives for SMEs. The action [plan will also include the expansion of the Mayor's Business Climate Challenge programme into St James's as well as freight reduction, greening biodiversity schemes, and an advocacy programme campaigning for sustainable transport infrastructure for London including the introduction of cycle lanes and secure cycle parking.

Attraction of inward investment and high-quality tenants

An inward investment and tenant curation programme, working with the Westminster Investment Service and partners, will help to enhance the tenant mix, attract new investment and first-class enterprise to St James's now and in the future.

5.6.2 Curating and promoting a programme of art and culture unique to St. James's

London's West End is the beating heart of the world's cultural scene, and the 24/7 showcase of the world's best creatives secures HOLBA's position as one of London's top destinations for foreign direct investment.

Through innovation and collaboration with new and existing partners, HOLBA will maximise the area's cultural assets as part of their Cultural Heart of London Strategy which was launched on 2020.

Turning strategy into experiences

HOLBA's Art of London programme will enable the creative talent of St. James's to be showcased in the area, attracting new audiences, and providing content that can be amplified through London & Partners international campaigns, generate investment, and garner an even greater sense of pride in the community.

Over the past few years, HOLBA have helped St James's galleries join forces with those in Mayfair for the Mayfair Art Weekend. Initiatives that enable over 70 galleries across the West End to remain open until 8pm and guided art tours to take place throughout the evening. The BID will continue to grow this programme and entice the wider community, especially workers, to explore what is on their doorstep.

5.6.3 Caretaking the streets, keeping St. James's clean, safe and attractive

The development of a cohesive Street-Management Plan will ensure the day-to-day management of the streets by the Street Management team runs smoothly and efficiently. It will ensure issues relating to street infrastructure are appropriately reported and resolved whilst support is provided to impacted business members.

Keeping St. James's clean

Through additional street-cleaning services beyond the statutory provision, HOLBA's street-cleaning team will provide cleaner streets through 7-day-a-week janitorial team within the St. James's area. In the last 12 months, the team responded to 4,000 emergency cleaning requests from businesses and did so within a 30-minute response time.

Keeping St. James's safe

Through close collaboration with the City Council and Metropolitan Police, HOLBA's security team works 365 days a year to address anti-social behaviour (ASB) within their districts and will expand this to cover the St. James's district. Through peer-to-peer radio link network St James's businesses will be informed of disturbances or threats and can call on the security team 24-hours a day, 7 days a week for assistance, providing reassurance and enhanced safety for everyone.

Caring for the St. James's community

The BID is working with statutory services to secure a long-term solution to tackling rough-sleeping. HOLBA's outreach workers help people living on our streets to find the right support and a route off the streets and into safety.

5.6.4 Championing members interests and ensuring good growth and standards for St. James's

HOLBA have the ear of some of the most influential people in local, London, regional and central government and will continue to advocate on businesses behalf with decision-makers, speaking up for what is required to help St James's thrive and influencing manifesto pledges.

HOLBA have built their reputation and visibility over the last five years, becoming a trusted voice and representative for the West End with government at all levels. HOLBA continue to advocate on behalf of their members' priorities. The BID meet regularly with a wide variety of senior decision-makers and partners, including: His Majesty's Treasury, Department for Business, Energy & Industrial Strategy, Department for Digital, Culture, Media & Sport, Department for Levelling Up, Housing & Communities, Department for Transport, Home Office, Members of Parliament, Greater London Authority, Transport for London, Metropolitan Police, London's Night Czar and Westminster City Council. HOLBA are also members of critical business groups and boards including: St James's Neighbourhood Forum, the Mayor's London Recovery Board, Westminster MP Business Advisory Group, Transport for London's Business Advisory Group, Central Activities Zone Futures Action Group, Tourism Advisory Group, Westminster City Council's Business Improvement District Group, and FSB.

HOLBA over the years have influenced policy change to regulate busking and street entertainment in Westminster and spearheaded the regulation of pedicabs which will be included in the next Transport Bill. HOLBA have lobbied for and secured a £1.57 billion support package for the arts and culture sector from government and a £7 million reopening plan for Central London's promotion and marketing from the Greater London Authority. Some

of the top priority agenda's that HOLBA are calling on local, regional and national government to help tackle include:

- Removal of barriers to skills and recruitment especially the hospitality sector
- Greater recognition, support, and investment in the cultural sector
- Business rates reform
- VAT relaxations for the hospitality sector
- A reintroduction of tax-free shopping for international visitors
- Better guidance and support for business on delivering climate change action plans
- A more affordable alternative to the London Living Wage accreditation scheme
- Greater flexibility and transparency around planning and licensing in Westminster
- Reducing rough sleeping and begging in Westminster

5.6.5 **Empowering the St. James's community to build a place that they are proud of**

HOLBA have significantly increased their profile and have become a major commentator on key issues in the West End and London and an influential advocate for business members. Over the last five 5 years, HOLBA have been featured in over 400 pieces of press coverage, including in the Financial Times, Evening Standard, Sky News, and ITV News, reaching millions of people, and being noticed by influential decision-makers such as the Mayor of London, Cabinet Members, 10 Downing Street and many more. HOLBA will keep the St James's business community abreast of crucial political changes or trends, so they know what is happening on the ground.

The BID will also share regular data and insights reports on the performance of the area and the wider West End as well as proactively supporting business members to access support provision, relevant services and schemes. The Heart of London Club offers exclusive benefits and discount in the West End and will incentivise local employees in St James's to spend time and enjoy the area's restaurants, hotels, and galleries. To develop a sense of pride and community, the scheme is only available to employees in the area and provides access to money-can't-buy experiences.

Over the past five years, HOLBA have hosted over 250 networking events, creating a platform for businesses to come together creating a powerful sense of community.

6. Financial Implications

- 6.1 The services provided by the BID will be in addition to those provided by 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. Staff time will be funded from existing budgets and the cost of the ballot will be met from Civic Enterprise Fund reserves so there will be no additional cost to the City Council.

- 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.

7. Legal Implications

- 7.1 Business improvement Districts (BIDs) are regulated by the Local Government Act 2003 (“the Act”) and the 2004 and 2014 Regulations which sets out the process for a BID ballot to be held for the BID to be formally established, renewed and or altered.
- 7.2 HOLBA, as the BID proposer must give at least 84 days’ notice to the City Council and the Secretary of State to request the Councils’ ballot holders’ to hold a BID ballot. HOLBA gave such notice in August 2022 for a BID ballot to be held in November 2023.
- 7.3 As required by the 2004 and 2014 Regulations, HOLBA has also provided the Council with the following:
 - 7.3.1 a copy of the BID proposals (the required contents of which differs depending on whether it is a new proposal, a renewal proposal or an alteration proposal);
 - 7.3.2 A summary of the consultation the BID proposer has undertaken with those liable to pay the BID levy;
 - 7.3.3 A summary of the proposed business plan, to include estimates of cash flow, predicted revenue and expenditure, and the predicted budget over the duration of the BID arrangements and the contingency margin included in the budget;
 - 7.3.4 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 body;
 - 7.3.5 and information to satisfy the City Council that HOLBA has sufficient funds to meet the costs of the ballot should it be required to do so as permitted by the 2004 and 2014 Regulations.
- 7.4 The City Council must consider whether the BID proposals conflict with any formally adopted and published policy by the City Council (whether or not the City Council is under a statutory duty to prepare such a document). If the City Council is of the view that they do conflict, then it must, as soon as reasonably practicable after receiving the proposal, notify HOLBA in writing explaining the nature of that conflict.

- 7.5 Regulation 21 of the 2014 Regulations states that all expenditure properly incurred by the ballot holder in relation to the holding of a ballot under the 2014 regulations shall be paid by the relevant billing authority.
- 7.6 Where the City Council is satisfied that the documents provided by HOLBA, meet the requirements of the 2004 and 2014 Regulations and have sufficient funds to hold a BID ballot, the City Council shall comply with the 2004 and 2014 Regulations to instruct the ballot holder to hold a BID ballot. The ballot holder for the City Council is the Chief Executive in his capacity as the Returning Officer. Having reviewed the documents, the City Council is satisfied that they do indeed meet the requirements. The City Council's ballot holder must make arrangements for conducting the relevant BID ballot in accordance with Schedule 2 of the 2004 and 2014 Regulations, the proceedings for the ballot shall be conducted in accordance with the following (which may be subject to change in accordance with the Regulations):

Proceeding(s)	Time
Publication of Notice to the Secretary of State	At least 42 days before the day of the ballot confirming the notice of the ballot has been issued
Day of the Ballot	must be a working day and at least 28 days after the date on which the ballot papers were sent to voters (or where the ballot papers were sent on more than one date, the last such date and; No later than 90 days from the date on which the ballot holder published the notice
Declaration of the results	The ballot holder shall certify: the total number of votes casted excluding any ballot papers rejected the aggregate rateable value of each hereditament in respect of which a person voted in the ballot; the total number of votes cast in favour of the question asked in the ballot; and the aggregate rateable value of each hereditament in respect of which a person voting in the ballot has voted in favour of the question asked. The ballot holder, having made the certification above shall (a) forthwith make a declaration of the matters so certified and (b) as soon as reasonably practicable give public notice of the matters so certified.

- 7.7 Regulations 12 and 14 of the 2004 and 2014 Regulations grant the City Council a power to veto a BID proposal after it is approved by a ballot, which is exercisable only if it is likely to:
- 7.7.1 conflict to a material extent with any policy formally adopted by and contained in a document published by the City Council (whether or not the council is under a statutory duty to prepare such a document), or
 - 7.7.2 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.
- 7.8 Where the City Council wishes to exercise its power to veto, it must do so within 14 working days from the day of the ballot, and must have regard to all of the following:
- 7.8.1 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;
 - 7.8.2 the nature and extent of the conflict referred to in paragraph 7.6.1 above;
 - 7.8.3 in relation to **Section 5.1 – 5.7 of this report**, 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;
 - 7.8.4 the extent to which the BID proposer discussed the BID proposals with the authority before submitting the BID proposals to the authority; and
 - 7.8.5 the cost incurred by any person up to the end of the 14-day period in developing the BID proposals and canvassing in relation to the BID proposals.
- 7.9 At the time of writing, the City Council is of the opinion that:
- 7.9.1 HOLBA's proposals for a new St. James's BID are in line with Council policies and priorities; and
 - 7.9.2 the proposals are not a significantly disproportionate financial burden on any persons or class of persons.
- 7.10 As such, currently the City Council has no intention to exercise its right to veto but may review the situation in the event of any significant change in circumstances.
- 7.11 Two legal agreements between the City Council and HOLBA will need to be drawn up to cover in respect of the council's obligations for the BID Levy collection, and the service specification for various services under a Baseline Service Level Agreement for services such as cleansing and highways which

the City Council will continue to deliver throughout each BID term which may be subject to periodic review and consultation with HOLBA.

8. Carbon Impact

- 8.1 The BID has set out within their BID proposal, their objective of monitoring and reducing their activities to help the City Council reach it's ambition of becoming a net-zero carbon City by 2040.

9. Equalities Implications

- 9.1 There are no equalities implications.

10. Consultation

- 10.1 HOLBA has carried out its own consultation with businesses in formulating the new St. James's Occupier and Property Owner BID Proposal.
- 10.2 Ward Members have been consulted during the drafting of this report. All of which welcome and support the establishment of this new BID.

BACKGROUND PAPERS

St. James's new Occupier and Property Owner BID Proposal 2023 – 2028


If you have any queries about this report, please contact:

Rachel Thevanesan, Business Support Programme Manager by Email:
rthevanesan@westminster.gov.uk or Tel: 07971092914.

For completion by the **Cabinet Member for Planning and Economic Development**

Declaration of Interest

I have no interest to declare in respect of this report

Signed:  Date: 03 July 2023

NAME: **Councillor Geoff Barraclough**


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 recommendation(s) in the report entitled

St. James’s New Occupier and Property Owner BID Proposal 2023 - 2028

and reject any alternative options which are referred to but not recommended.

Signed 

Cabinet Member for Planning and Economic Development

Date ...03 July 2023.....

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:

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 Head of Legal & Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (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 the City Council's overall priorities and in particular, the economic development and sustainability priorities. Significant additional investment in economic development, sustainability and place shaping is generated through Westminster's BIDs. The funding is used to implement the projects prioritised by the business community in the BID proposal. Local 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 Council's local area.

3. Risk Management Implications

There are no implications

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

The BID has placed health and wellbeing of their members and their employees at the forefront of their priorities ensuring that there are resources and support readily available to them.

5. Crime and Disorder Implications

There are no implications though it is worth noting that security and policing is a priority workstream for the new proposed BID.

6. Impact on the Environment

The BID has a significant focus on sustainability and the climate emergency agenda. This has been reflected within their proposals.

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 'Communications and Promotions' is a key priority area for the BID.

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