



City of Westminster

# Cabinet Member Report

<b>Decision Maker:</b>	Cllr Robert Davis MBE DL, Deputy Leader and Cabinet Member for Business, Culture & Heritage
<b>Date:</b>	14 August 2017
<b>Classification:</b>	General Release
<b>Title:</b>	Baker Street Quarter Partnership Business Improvement District Renewal Proposal 2018-23
<b>Wards Affected:</b>	Marylebone High Street Bryanston and Dorset Square Regent's Park
<b>Key Decision:</b>	No
<b>Financial Summary:</b>	No additional costs to the City Council. The cost of administering the ballot is accommodated within existing budgets.
<b>Report of:</b>	Ed Watson, Executive Director - Growth, Planning and Housing Westminster City Council, Portland House, Bressenden Place, London, SW1E 5RS Tel: 020 7641 1747 Email: <a href="mailto:ewatson@westminster.gov.uk">ewatson@westminster.gov.uk</a>

## 1. Executive Summary

- 1.1 In June 2017 the City Council received a draft Business Improvement District (BID) Renewal Proposal from Baker Street Quarter Partnership (BSQP). The proposal seeks a second term to last until March 2023. The proposed BID area for 2018-2023 includes a small extension. Please refer to **Appendix 1** for a map of the proposed BID area for 2018-23. The ballot is proposed to take place during October and November 2017 with the result of the ballot to be announced on the 24<sup>th</sup> November 2017.
- 1.2 The BSQP Renewal Proposal reflects the priorities of their business community and ensures that City for All is at the forefront of their thinking. BSQP's vision is

for the area to be the commercial district of choice. An area that is welcoming and first class that supports business operations and promotes staff wellbeing. A place people want to work, are keen to visit, eager to explore and happy to live. To achieve this, over the next five year term the BID will:

- Be a strong voice for business pressing for positive change
- Enhance the area's attractiveness, cleanliness, safety and vibrancy
- Foster a positive sense of community and facilitate useful networks
- Provide valuable services to businesses
- Promote a strong, defined area identity

1.3 This report sets out the process described in the Business Improvement Districts (England) Regulations 2004, which BSQP and the City Council are required to follow to secure a second term. It then describes BSQP's future proposal, which has been developed closely with Council service portfolios.

1.4 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 BSQP Renewal Proposal is in line with Council policies and priorities and therefore this report recommends formal Council endorsement. The Deputy Leader and Cabinet Member for Business, Culture & Heritage is responsible for BIDs and so is asked to agree the recommendations in the report.

## **2. Recommendations**

2.1 That the Deputy Leader and Cabinet Member for Business, Culture & Heritage endorses the BSQP Renewal Proposal and formally decides that the City Council does not wish to veto the Proposal.

2.2 That the Deputy Leader and Cabinet Member for Business, Culture & Heritage requests the Chief Executive as Returning Officer and "Ballot Holder" to hold a ballot for the proposed BSQP 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 BSQP has a strong collaborative relationship with the Council. Examples include:

- Business Rates retention/TIF – BSQP joined other BIDs in lobbying for a fairer deal for the West End in the retention of business rates. They also supported the TIF application.

- Baker Street Two Way Project – BSQP are a key supporting and financial partner to this project sitting on the Project Board with the Council and TfL as well as providing practical support and input on the communications group and strategy.
- Air Quality – BSQP have a range of projects working to improve Air Quality centred on services available through their Air Quality Hub including the inter BID West End Buyers Club. Their Smarter Recycling service has reduced waste collection traffic by 46%. Marylebone Low Emissions Neighbourhood – BSQP are the key BID on the Marylebone Low Emissions Neighbourhood as it centres on their area. BSQP Chair the Delivery and Service Planning Subgroup, supported the application and also sit on the core steering group. BSQP’s Greenery Action Plan sets out BSQP’s vision for greening the area with planting that is beneficial to air quality. Some of this will be delivered through the Two Way project.
- The Wonderpass – BSQP instigated and delivered the transformation of the Marylebone Subway. Ward Councillors across the three wards were hugely supportive and provided some contribution from ward budgets and the Council was fully credited as a partner. The Wonderpass has been universally positively received with many residents attending the opening and continuing to care for it and report any issues to the BID.
- Street Management – BSQP’s Operations Manager, Street Manager and Ambassador liaise formally every three weeks with the Council’s problem solver, City Inspector and outreach services at the Problem Solving Meeting hosted by the BID. BSQP provide evidence on problems or individuals needing support or action. Their Street Team also work closely daily with the Council’s inspector, outreach and cleaning services to tackle any issues. They also fund additional cleansing through the Council’s cleansing contractor.
- Real Change Campaign – BSQP were involved in the development of this very successful campaign led by the Council and outreach charities. BSQP used their extensive communications and networks to get the message across and it was very well received.
- Supporting the wider community – Smarter Giving is a key programme for BSQP. It has developed a network of 250 volunteers from businesses in the BID area and 100s of donations. A particular focus has been on targeting support to the residents of the Church Street ward. Mentoring, CV workshops and work experience all support the Council’s objectives on supporting people back into employment.

3.2 It is anticipated that BSQP 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 BSQP 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. BSQP's Renewal Proposal includes a commitment to working with their neighbouring BIDs, New West End Company and Marble Arch BID, where possible to realise economies of scale and efficiencies.

- 3.3 This report describes the BID Renewal Proposal that has been submitted by BSQP to continue into a second term. These do not conflict with City Council policies. The Deputy Leader and Cabinet Member for Business, Culture & Heritage 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 Baker Street Quarter Partnership was established almost five years ago by businesses and landowners wanting to build on the areas strengths and establish it as first class for business and those working here, visiting and living in the area.
- 4.2 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. BSQP has submitted its BID Renewal Proposal for a second term to terminate on 31 March 2023. The City Council is statutorily bound to consider the proposal and hold a ballot of their businesses on BSQP's behalf.
- 4.3 The process to become formally established or renewed is set out in the 2004 BID Regulations as amended and is as follows:
- Formal notification to the City Council and Secretary of State at least 84 days in advance of a request to hold a ballot
  - Request to City Council 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;
    - A summary of the proposed business plan to include estimates of cash flow, predicted 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 BSQP's proposed second term is due to take place during October and November 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 second term on 1 April 2018.

## 5. **BSQP Renewal Proposals**

- 5.1 Baker Street Quarter Partnership Limited (company number 07532874) is a not for profit company limited by guarantee. It was formed to operate the BID and is the BID Proposer putting forward these plans for 2018-2023. Assuming a successful ballot, it is the legal entity that will continue to provide governance and run the activities of the BID supported by an experienced and effective team. The composition of the Board broadly reflects the makeup of businesses eligible to pay the BID Levy with regard to business sector, size and location. Property owners and investors who contribute to the Partnership are also represented on the Board. Westminster City Council and the Metropolitan Police have seats as observers of the BID Board. Voluntary membership is available for businesses below the BID Levy threshold and those just outside the BID area.
- 5.2 BSQP formally submitted its BID renewal proposal in June 2017. The area of the BID has changed slightly with a small extension. The requirement for a closed year rule and a levy cap is being introduced for the first time. The proposed BID levy is 1% of rateable value on premises with a minimum rateable value of £175k. Together with voluntary contributions, the budgeted programme of activity for the BID area over the next five year term is £6,637,700.
- 5.3 The ballot period lasts for a minimum of 28 days and is due to start on 26 October 2017 and finish on 23 November 2017. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.4 **ANNEX 1** summarises BSQP's proposals for the next term grouped under the following priorities:
- QUALITY STREETS AND SPACES
  - BETTER AIR QUALITY
  - SAFE AND CARED FOR
  - VIBRANT AND ENTERTAINING

- LOCAL NETWORKS AND COMMUNITY
- COLLECTIVE VOICE AND AREA IDENTITY

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 will be met from the Civic Enterprise Fund.
- 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. This is an increase in complexity compared to the current term which will affect the administrative charge for the BID.

## **7. Legal Implications**

- 7.1 Two 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 BID.
- 7.2 The BSQP Renewal Proposal contains the necessary information as set out in the 2004 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 proposal.

## **8. Consultation**

- 8.1 BSQP has carried out its own consultation with its businesses in formulating the Renewal Proposal.
- 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](mailto:hasadi@westminster.gov.uk) or tel 020 7641 1842.

## **BACKGROUND PAPERS**

Final Draft Baker Street Quarter Partnership 2018-23 Business Plan dated 7th July 2017

For completion by the **Deputy Leader and Cabinet Member for Business, Culture & Heritage**

**Declaration of Interest**

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

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

NAME: \_\_\_\_\_

State nature of interest if any .....

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

Signed .....

Cabinet Member for *(add portfolio title)*

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: .....  
.....  
.....

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 and Democratic Services, Strategic Director Finance and Performance and, if there are resources implications, the Strategic Director of 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 priorities identified in the Economic Development Strategic Framework and Enterprise and Employment Programmes 2015-19. Significant additional investment in economic development 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 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 including a Business Security Zone features as a priority within BSQP'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 BSQP'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 BSQP's Renewal Proposal includes significant activity around promoting a strong, attractive, recognised identity for the area, 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.