



Decision Maker:	Cllr Nickie Aiken, Leader of the Council
Date:	23th September 2019
Classification:	General Release
Title:	Victoria Business Improvement District Renewal & Alteration Proposal 2020-25
Wards Affected:	Warwick, Vincent Square and 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:	Barbara Brownlee, Executive Director - Growth, Planning and Housing Westminster City Council, 64 Victoria Street, London, SW1E 6QP Tel: 020 7641 1747 Email: bbrownlee@westminster.gov.uk

1. Executive Summary

- 1.1 In September 2019 the City Council received a draft Business Improvement District (BID) Renewal & Alteration Proposal from Victoria BID. The proposal seeks a third term to last until March 2025. The proposed BID area for the next term comprises a modest extension to ensure all major landholdings in Victoria are included with the inclusion of the London Victoria Train Station and Victoria Coach Station and to align more with the neighbouring Victoria Westminster BID and take account of some new large commercial arrivals in the area. The ballot is proposed to take place during January and February 2020 with the result of the ballot to be announced on 28 February 2020.
- 1.2 The Victoria Renewal & Alteration Proposal reflects the priorities of their business community and ensures that City for All is at the forefront of their thinking. The proposal sets out the BID's ambitious plans for its third term to support the area to realise its full growth potential for the benefit of everyone.

- 1.3 This report describes Victoria BID's future proposal, which has been developed closely with Council service portfolios. It then sets out the process described in the Business Improvement Districts (England) Regulations 2004 (the 2004 Regulations), which Victoria BID and the City Council are required to follow to secure a third term.
- 1.4 The Leader is responsible for BIDs and so is asked to agree the recommendations in the report.

2. Recommendations

- 2.1 That the Leader endorses Victoria BID's Renewal & Alteration Proposal.
- 2.2 That the requests the Chief Executive as Returning Officer and "Ballot Holder" to hold a ballot for Victoria BID's proposed Renewal & Alteration 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 service specifications for all services which the City Council will continue to deliver throughout the BID's duration and any other necessary matters for the proposed BID in consultation with the appropriate officers.

3. Reasons for Decision

- 3.1 Victoria BID has a strong collaborative relationship with the City Council. Examples include:
 - Working alongside the City Council's Street cleansing teams enhancing the area.
 - Working alongside the City Council's Housing & Prevention teams to reduce homelessness and work towards a long term solution to rough sleeping.
 - Working alongside the City Council to instil a security culture in the BID area including the high profile, professional on street presence of the BID's own on street security team.
 - Working alongside the City Council to increase business engagement on the social welfare and local economic regeneration agenda delivering a range of greening and wellbeing projects, training and employment initiatives, and schemes aimed at enhancing air quality.
 - The redevelopment of Victoria Station – the BID is playing a vital role in bringing the right people to the decision table on this major infrastructure project. Research commissioned by the BID demonstrated that the lack of investment in the station would hinder the long term growth of the area. The BID, acting as the voice of businesses in the area, but also committed

to ensuring that any station redevelopment works for all the people of Victoria, has been at the heart of the work to develop a new innovative funding model for major infrastructure and redevelopment projects.

- A project led by the BID and City Council to transform Christchurch Gardens through a multi-million pound investment scheme which will create a new, high quality green space.

3.2 It is anticipated that Victoria BID 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 Victoria BID as with all BIDs to work collaboratively with each other on joint initiatives so as to avoid duplication of resources and contact with the City Council.

3.3 This report describes the BID Renewal & Alteration Proposal that has been submitted by Victoria BID to continue into a third term. These do not conflict with City Council policies. The Leader is therefore asked to endorse the Renewal & Alteration 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 In October 2009 67% of eligible businesses voted yes to establish Victoria BID (73% by aggregate rateable value) with a turnout of 55%. The BID then went live in April 2010 for an initial five-year term. In February 2015 the Victoria BID's levy paying business partners voted for the renewal of the Victoria BID for a second term with a turnout of 63% of eligible businesses resulting in a resounding 85% yes vote (91% by aggregate rateable value).

4.2 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. Victoria BID has submitted its BID Renewal & Alteration Proposal for a third term to terminate on 31 March 2025. The City Council is statutorily bound to consider the proposal and hold a ballot of their businesses on Victoria BID's behalf.

4.3 The ballot for Victoria BID's proposed third term is due to take place during January and February 2020. If the majority of voters who vote in the ballot, both by aggregate rateable value and number voting, support the proposals, and the City Council does not exercise its veto option, then the BID will formally start its second term on 1 April 2020.

5 Victoria BID Renewal & Alteration Proposals

5.1 Victoria Business Improvement District LTD (company number 06041002) 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 2020-2025. 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 Board is a cross-sector representation of the BID's levy-paying occupier base.

- 5.2 Victoria BID formally submitted its BID renewal & Alteration proposal in September 2019. The proposed BID area for the next term comprises a modest extension to ensure all major landholdings in Victoria are included with the inclusion of the London Victoria Train Station and Victoria Coach Station and to align more with the neighbouring Victoria Westminster BID and take account of some new large commercial arrivals in the area. The BID Levy of 0.95% (fixed for five years) applies to premises with a rateable value equal to or greater than £150k. The levy per hereditament will be capped at £45,000. Voluntary membership is available and will be actively encouraged by the BID when engaging with property owners in the BID area as well as organisations and businesses outside the area who are interested in the BID. Together with voluntary contributions, the budgeted programme of activity for the BID area over the next five year term is £12.75 million.
- 5.3 A “closed year” BID rule is being introduced for the first time for this BID. This particular rule has previously been incorporated by other BIDs. The rule means that backdated rateable value reductions, following ratepayer Valuation List appeals, settled by the Valuation Office, are only backdated to the start of the current financial year. No refunds or collections of the BID levy will be made for previous years. All BIDs when introducing the Closed Year Rule are made aware that the restriction of recalculation of BID levy to the current financial year applies equally to rateable value increases and decreases. The rule excludes changes relating to RV£0, RV£1, deletions and insertions, splits and mergers. The rule is included in the published BID rules so that individual businesses are aware of the rule at the point of ballot.
- 5.4 The ballot period lasts for a minimum of 28 days and is due to start on the 27 January 2020 and finish on 27 February 2020. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.5 **ANNEX 1** summarises Victoria BID's proposals for the next term grouped under the following four core strategic themes:
- Destination Victoria
 - Inclusive Economy
 - Public Realm & Greening
 - Security & Business Resilience
- 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. 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.
- 6.4 The requirement for a closed year rule is being introduced for the first time for this BID. This is an increase in complexity compared to the current term which will result in an increased administrative charge for the BID in order to adapt the system to accommodate this rule.

Financial implications verified by Karen Wright, WCC Commercial & Financial Management

7. Legal Implications

- 7.1 The process for a BID to become formally established or renewed is set out in The 2004 Regulations and is as follows.
- 7.2 The BID proposer must notify the City Council and the Secretary of State at least 84 calendar days in advance of a request to hold a ballot. Victoria BID gave such notice in May 2020 of their request to hold a ballot in January 2020. Victoria BID will follow this up with the formal written request to hold a ballot in January 2020.
- 7.3 As required by regulation 4(2)(a)(i) of the 2004 Regulations, Victoria BID have also sent the City Council:
 - 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 Victoria BID has sufficient funds to meet the costs of the ballot should it be required to do so under regulation.
- 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 Victoria BID, in writing explaining the nature of that conflict.
- 7.5 If the City Council is satisfied that the documents provided by Victoria BID meet the requirements of the legislation, the City Council is legally obliged by the 2004 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. As such, the City Council will request the Returning Officer to make the necessary arrangements for the BID ballot.
- 7.6 The 2004 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:
- 7.6.1 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
 - 7.6.2 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.
- 7.7 If 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:
- 7.7.1 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;
 - 7.7.2 the nature and extent of the conflict referred to in paragraph 7.6.1 above;
 - 7.7.3 in relation to paragraph **Error! Reference source not found.**, 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;
 - 7.7.4 the extent to which the BID proposer discussed the BID proposals with the authority before submitting the BID proposals to the authority; and

- 7.7.5 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.
- 7.8 At the time of writing, the City Council is of the opinion that:
 - 7.8.1 Victoria BID's Renewal & Alteration Proposals are in line with Council policies and priorities; and
 - 7.8.2 the proposals are not a significantly disproportionate financial burden on any persons or class of persons.
- 7.9 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.
- 7.10 Two legal agreements between the City Council and Victoria 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.

Legal implications verified by Andre Jaskowiak, Bi-Borough Legal Services

8. Consultation

- 8.1 Victoria BID has carried out its own consultation with its businesses in formulating the Renewal & Alteration Proposal.
- 8.2 Ward Members have been consulted during the drafting of this report. No responses have been received.

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

BACKGROUND PAPERS

Victoria BID Proposal 2020-25: The next chapter for a vibrant Victoria dated 19th September 2019.

For completion by the **Leader of the Council**

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 **Victoria Business Improvement District Renewal & Alteration Proposal 2020-25** and reject any alternative options which are referred to but not recommended.

Signed

Leader of the Council

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, Executive 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 City for All and Economic Development and Place Shaping priorities. 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 a busy urban area such as Victoria has to manage a range of security and business critical issues, everything from the threat of terrorism and anti-social behaviour, to clean streets, rough sleeping and low level street crime. Continuing to work collaboratively with partners to address these matters under the theme of Security and Business Resilience features as a priority within Victoria BID's Renewal & Alteration Proposal.

6. Impact on the Environment

There are no implications though it is worth noting that continuing to work collaboratively with partners to deliver more green spaces and green infrastructure in Victoria, address environmental concerns and improve air quality features as a priority within Victoria BID's Renewal & Alteration 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 Victoria BID's Renewal & Alteration Proposal includes significant activity that continues to support Victoria's transformation into a leading leisure destination, promoting the area's strong assets, and developing compelling events to showcase the very best of the area.