



<b>Decision Maker:</b>	Cllr Timothy Barnes, Cabinet Member for Economic Development, Education and Skills
<b>Date:</b>	13 November 2019
<b>Classification:</b>	General Release
<b>Title:</b>	Heart of London Business Alliance Property Owner Business Improvement Districts Renewal Proposal 2020-25
<b>Wards Affected:</b>	St James's & West End
<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>	Barbara Brownlee, Executive Director - Growth, Planning and Housing Westminster City Council, 64 Victoria Street, London, SW1E 6QP Tel: 020 7641 1747 Email: <a href="mailto:bbrownlee@westminster.gov.uk">bbrownlee@westminster.gov.uk</a>

## 1. Executive Summary

- 1.1 In August 2019 the City Council received a draft Business Improvement District (BID) Renewal Proposal from Leicester Square & Piccadilly Circus and Piccadilly and St James's Property Owner BIDs. The ballot is proposed to take place during February and March 2020 with the result of the ballot to be announced on 20 March 2020.
- 1.2 The HOLBA Renewal 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 vision for the BID areas to be a vibrant, world-class destination with a global reputation and distinct identity that's central to London's West End. Whilst no changes to the BID areas are proposed in this renewal proposal, HOLBA have informed the City Council that they plan to progress further opportunities outside of their current boundaries, and to work with

businesses in a voluntary manner, with the potential to establish separate BID areas to operate under the Heart of London Business Alliance in the period 2020-2025.

- 1.3 This report describes HOLBA's proposals for a further term 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 HOLBA and the City Council are required to follow to secure a further 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 HOLBA's Renewal Proposal for their Leicester Square & Piccadilly Circus and Piccadilly and St James's Property Owner BIDs.
- 2.2 That they request the Chief Executive as Returning Officer and "Ballot Holder" to hold a ballot for the Leicester Square & Piccadilly Circus and Piccadilly and St James's Property Owner BIDs Renewal 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 HOLBA has a strong collaborative relationship with the City Council. Examples include:
  - Targeting the problem of unregulated waste together resulting in Piccadilly and St James's area having a 70% reduction in unregulated waste.
  - Continuously working together on street cleansing to keep the area clean.
  - Partnership working to address illegal street trading in Leicester Square.
  - Placing the issue of pedicabs on the government agenda with the ultimate objective of a legislative change.
  - There is ongoing work with the events team at Westminster City Council to understand road closures and protests, so HOLBA can notify members of protests and / or road closures in a timely fashion to help manage freight, deliveries and visitors to the area.
  - Collaborative working to deliver the Leicester Square brand identity and guidelines and hosting HOLBA's annual summer screening in Leicester Square. More recent collaborative working to introduce exciting new film related statues to the Leicester Square area.

- Partnership working to deliver a seasonal planting scheme across our public spaces.
- The Leicester Square redevelopment which was completed in 2012 was an example of public and private collaboration – between Westminster City Council, Heart of London and property owners in the area.
- Partnership working to raise standards in the evening and night-time economy, with regular pub watch meetings which council officers attend, Purple Flag and the introduction of Best Bar None.
- Work between HOLBA and the Integrated Street Engagement Unit and the tasking group to help rough sleepers and clear tents on Great Windmill Street
- Guest speakers from Westminster City Council contributing to numerous Perspective events for HOLBA members.

3.2 It is anticipated that HOLBA's BIDs 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's BIDs 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 Proposal that has been submitted by HOLBA to secure a further term for their Leicester Square & Piccadilly Circus and Piccadilly and St James's Property Owner BIDs. These do not conflict with City Council policies. The Leader 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. 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. Subsequently in March 2017 the two Occupier BIDs covering the areas of Piccadilly and St James's and Leicester Square & Piccadilly Circus secured a fourth term to last until March 2022. Leicester Square and Piccadilly Circus BID ballot achieved a turnout of 61% of eligible businesses resulting in a resounding

91% yes vote (92% by aggregate rateable value). Piccadilly and St James's BID ballot achieved a turnout of 52% of eligible businesses resulting in a resounding 92% yes vote (93% by aggregate rateable value).

- 4.2 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. HOLBA has submitted its Renewal Proposal to secure a further term for both their Leicester Square & Piccadilly Circus and Piccadilly and St James's Property Owner BIDs. The City Council is statutorily bound to consider the proposal and hold a ballot of their businesses on HOLBA's behalf.
- 4.3 The ballot is due to take place during February and March 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 BIDs will formally start its next term on 1 April 2020 with a termination date of 31 March 2025.

## **5 HOLBA Renewal Proposals**

- 5.1 Heart of London Business Alliance (company number 04293930) is a company limited by guarantee and is the BID Proposer for the two Property Owner BIDs. Assuming a successful ballot, HOLBA will continue to provide governance and run the activities of the Property Owner BIDs for both Leicester Square & Piccadilly Circus and Piccadilly & St James's respectively, alongside its two Occupier BIDs. In keeping with legislative regulations, each BID will have separate budget accountability, while contributing to the overall business plan. The Leicester Square & 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 proposal in October 2019. The BID Levy of 1% will be fixed at rateable value using the business rating list as at 1st April 2020 (rising annually by 3%): Year 1 – 1.00, Year 2 – 1.03, Year 3 – 1.06, Year 4 – 1.09, Year 5 – 1.12. The BID Levy will apply to premises with a rateable value equal to or greater than £130,000 for Leicester Square & Piccadilly Circus and £225,000 or more for Piccadilly & St James's. A Levy cap of £50,000 will be applied. HOLBA maintains a voluntary membership scheme for businesses falling beneath the levy threshold or located outside the BID area. This will continue to give smaller businesses the opportunity to engage with, and benefit from, the BID, whilst not being compelled to contribute a mandatory levy. The budgeted programme of activity for the BIDs areas over the next five year term is

circa. £7.27 million (this figure will need adjusting to reflect the application of the Levy cap).

- 5.3 A “closed year” BID rule is being introduced for the first time for these Property Owner BIDs. This particular rule was incorporated by the HOLBA Occupier BIDs in 2017. 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 19 February 2020 and finish on 19 March 2020. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.5 **ANNEX 1** summarises HOLBA’s proposals for the next term grouped under the following five areas of focus:
- **MANAGE** - Creating a sustainable environment that is clean, safe and well managed, laying the foundations for a world-class destination.
  - **PROMOTE** - Bringing major cultural and experiential attractions to the area, encouraging people to stay, spend and return.
  - **SUPPORT** - Providing advice and assistance to our members across their critical functions.
  - **ADVOCATE** - Protecting, defending and promoting our members’ interests by campaigning on the issues that matter most to them and the area.
  - **SHAPE** - Securing investment now and into the future, to retain the area’s world-class commercial status.

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 Property Owner BIDs 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 BIDs.
- 6.4 The requirement for a closed year rule is being introduced for the first time for these BIDs. This is an increase in complexity compared to the current term which will result in an increased administrative charge for the BIDs 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. HOLBA gave such notice in September 2019 of their request to hold a ballot in February and March 2020 and followed this up with the formal written request to the City Council to hold the ballots.
- 7.3 As required by regulation 4(2)(a)(i) of the 2004 Regulations, HOLBA 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 HOLBA 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 HOLBA's 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 If the City Council is satisfied that the documents provided by HOLBA meet the requirements of the legislation, the City Council is legally obliged by the 2004 Regulations to instruct the ballot holder to hold the BID ballots. 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 ballots.
- 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 HOLBA's Property Owner BID's Renewal 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 HOLBA 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 each BID's duration, subject to periodic review and consultation with HOLBA.

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

## **8. Consultation**

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

## **BACKGROUND PAPERS**

Heart of London Business Alliance 2020 - 2025 Business Plan dated 14<sup>th</sup> October 2019.

For completion by the **Cabinet Member for Economic Development, Education and Skills**

**Declaration of Interest**

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

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

NAME: \_\_\_\_\_  
**Cabinet Member for Economic Development, Education and Skills**

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 **Heart of London Business Alliance Property Owner Business Improvement Districts Renewal Proposal 2020-25** and reject any alternative options which are referred to but not recommended.

Signed .....

Cabinet Member for Economic Development, Education and Skills

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 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 effective policing of begging and antisocial behaviour is one of five priority campaigns adopted by HOLBA for their next term. HOLBA are calling on the Metropolitan police to take firm and consistent action against begging and antisocial behaviour, as they are detrimental to both the safety and reputation of the area. They state that whilst we can continue to manage the area through our multi-agency street team, we are not able to directly bring charges against individuals or enforce directly. These are criminal matters with a policing solution.

#### 6. Impact on the Environment

There are no implications though it is worth noting that waste, recycling, freight and personal deliveries consolidation is one of five priority campaigns adopted by

HOLBA for their next term. HOLBA are exploring creative ways to further consolidate waste and recycling collections, as well as freight and personal deliveries. They state that a cleaner, healthier, safer and sustainable environment is key to ensuring the long-term viability of the area and a high quality of life within it. Reducing the number of polluting vehicles on our streets is of paramount importance and we must be imaginative with how we achieve this.

**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 Arts & Culture Strategy builds on the area's key cultural attractions, as well placing the evening and night-time economy at its centre. HOLBA's Place Strategy places the arts and culture at its heart and they will continue to seek out internationally renowned partners to create memorable experiences and signature events unique to the area. HOLBA recognises that the West End's events programme is the product of multiple organisations that all add value to the area, and contribute to its status as a global destination. As such HOLBA are committed to continuing to work with Westminster City Council to ensure alignment with its events strategy. Furthermore, HOLBA will continue to bring their members together to create globally recognised and profile-elevating campaigns, as well as continuing to support third-party initiatives that align with their objectives, including Pride in London and West End Live.