



<b>Decision Maker:</b>	Cllr Robert Davis MBE DL, Deputy Leader and Cabinet Member for Business, Culture & Heritage
<b>Date:</b>	13th September 2017
<b>Classification:</b>	General Release
<b>Title:</b>	The Northbank Business Improvement District Renewal Proposal 2018-23
<b>Wards Affected:</b>	St James's
<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, Interim Executive Director - Growth, Planning and Housing Westminster City Council, Portland House, Bressenden Place, London, SW1E 5RS Tel: 020 7641 1747 Email: <a href="mailto:bbrownlee@westminster.gov.uk">bbrownlee@westminster.gov.uk</a>

## 1. Executive Summary

- 1.1 In August 2017 the City Council received a draft Business Improvement District (BID) Renewal Proposal from The Northbank. The proposal seeks a second term to last until March 2023. The existing BID area boundaries will be retained without change in the renewed BID. The ballot is proposed to take place during January and February 2018 with the result of the ballot to be announced on 23 February 2018.
- 1.2 The Northbank 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 a long term vision for The Northbank to become one of London's most desirable destinations, building on the significant achievements of the BID during its first term. The BID's priorities for the next five years aim to

ensure that The Northbank emerges as the capital's most dynamic cultural and commercial quarter, for all who work, visit or live in the area.

- 1.3 This report describes The Northbank'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 The Northbank and the City Council are required to follow to secure a second term.
- 1.4 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 Northbank's Renewal 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 Northbank's proposed 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 The Northbank has a strong collaborative relationship with the City Council. Examples include:
  - Working alongside the City Council's Street cleansing teams enhancing the area.
  - The Bid's award winning Ambassador Programme – where they monitor the baseline agreement with the City Council and report Environmental issues which has resulted in significant reductions in response times.
  - Working with the City Council's outreach services to engage and direct those vulnerable living on the streets.
  - Hosting the Making Real Change Event with the City Council and other key partners.
  - Working in partnership with the City Council to deliver an Apprenticeship event for employers on the Future of Apprenticeships and the Apprenticeship Levy.
  - Working in partnership with the City Council to deliver a Careers event.
  - A range of strategic projects most notably: Strand/Aldwych – through collaborative working the BID have driven this project through to delivery

by the City Council; the Villiers Street Vision; and bringing together Private and Public Sector working through the BIDs Freeholder Group.

- 3.2 It is anticipated that The Northbank 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 The Northbank 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 The Northbank 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 In July 2013 local businesses first voted to establish The Northbank BID with an 80% majority by number of votes of those who voted and 92% majority by aggregate rateable value of those who voted. The BID then went live in April 2013 for an initial five-year term. Since 2013 it has been delivering vital services aimed at upgrading daily operations as well as transformational projects aimed at enhancing the area's integrity and appeal in the face of constant change and fierce competition. By strengthening the area's identity, cleanliness and safety, The Northbank BID strives to continually improve the experience of people working, living and studying in the BID area, while attracting a higher number of business visitors and tourists. The Northbank BID is working closely with the City Council and other key public sector partners to transform The Northbank into a vibrant 24-hour destination through an ambitious programme of initiatives designed to complement the area's impressive cultural, entertainment and corporate assets.
- 4.2 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. The Northbank 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 the Northbank's behalf.
- 4.3 The ballot for the Northbank's proposed second term is due to take place during January and February 2018. 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 2018.

## 5 The Northbank Renewal Proposals

- 5.1 The Northbank BID Limited (company number 08120066) 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 Board is a cross-sector representation of the BID's levy-paying occupier base.
- 5.2 The Northbank formally submitted its BID renewal proposal in August 2017. The existing BID area boundaries will be retained without change in the renewed BID. The BID Levy of 1% applies to premises with a rateable value equal to or greater than £150k. The levy per hereditament will be capped at £25,000. The capped levy will assume a growth rate for inflation of 2.5% applied on the 1st April each year. Voluntary membership is available and will be actively encourage 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 £9.8 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 no later than 25 January 2017 and finish on 22 February 2018. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.5 **ANNEX 1** summarises The Northbank's proposals for the next term grouped under the following priorities:
- A STRATEGIC VISION FOR THE NORTHBANK
  - CLEANING AND GREENING
  - MAKING THE NORTHBANK SAFE AND SECURE
  - RAISING THE PROFILE OF THE NORTHBANK
  - CHAMPIONING SUSTAINABLE GROWTH
- 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.

## **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. The Northbank gave such notice in February 2017 of their request to hold a ballot in January 2018. The Northbank will follow this up with the formal written request to hold a ballot in January 2018.
- 7.3 As required by regulation 4(2)(a)(i) of the 2004 Regulations, The Northbank 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 The Northbank 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 The Northbank, in writing explaining the nature of that conflict.
- 7.5 If the City Council is satisfied that the documents provided by The Northbank 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 7.8.1 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 The Northbank 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 The Northbank 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.

## **8. Consultation**

- 8.1 The Northbank BID 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. 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, Strategic Manager – Business & Enterprise on [hasadi@westminster.gov.uk](mailto:hasadi@westminster.gov.uk) or tel 020 7641 1842.

## **BACKGROUND PAPERS**

The Northbank BID Renewal Proposal 2018-23: Creating A Better Northbank dated 1<sup>st</sup> September 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: **Councillor Robert Davis MBE DL**

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

**The Northbank Business Improvement District Renewal Proposal 2018-23**

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

Signed .....

Cabinet Member for Business Culture and Heritage

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 continuing to work collaboratively with partners to address crime and disorder matters features as a priority within The Northbank's Renewal Proposal.

#### **6. Impact on the Environment**

There are no implications though it is worth noting that continuing to work collaboratively with partners to address environmental concerns and improve air quality features as a priority within The Northbank'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 The Northbank's Renewal Proposal includes significant activity around promoting the area through continuing their destination building campaign, developing destination branding and delivering a programme of events to enable local employees, students, residents and visitors to enjoy the areas many assets including its open spaces.

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.