



<b>Decision Maker:</b>	Cllr Robert Davis MBE DL, Deputy Leader and Cabinet Member for Business, Culture & Heritage
<b>Date:</b>	10th October 2017
<b>Classification:</b>	General Release
<b>Title:</b>	New West End Company Occupier Business Improvement District Renewal & Alteration Proposal 2018-21
<b>Wards Affected:</b>	West End, Marylebone High Street, Bryanston & Dorset Square
<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 & Alteration Proposal from New West End Company for their Occupier BID. The proposal seeks a fourth term to last until March 2021. The BID area is proposed to increase to include the wider hinterlands of the Oxford Street district, East and North Mayfair taking a district wide approach rather than the previous linear approach of Bond, Oxford and Regent Street. Please refer to **Appendix 1** for a map and more detailed description of the proposed BID area for 2018-21. The ballot is proposed to take place during November and December 2017 with the result of the ballot to be announced on 15th December 2017.
- 1.2 The NWEA 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 their vision to make London's West End the World's first choice for visitors, businesses and investors. The BID's primary purpose is to attract customers and clients to the West End, to keep them there longer and to attract them back again. This vision and purpose is underpinned by the following objectives:

- To secure the West End's future as the World's number one retail and leisure district
- To be an effective champion and influencer of policies that deliver economic growth
- To be an authoritative global voice on London's West End
- To evidence the BID's impact over time with increased spend and enhanced values

The New West End Company combined Occupier and Property BID unveiled its 2020 Strategy in May 2016 focused on three core areas:

- Management: Improved environment, enhancing values
- Marketing: Attracting customers and inward investment
- Advocacy & Insights: An influential business voice

Recent consultation with their business members has identified the following priorities for their next term:

- Management: Improve environment to increase dwell time and spend
- Marketing: Attract high value customers; focus on international opportunity
- Insights: Improved measurements and greater customer insights
- Advocacy: An influential business voice that delivers policy reform and investment
- Property Owner BID Support

1.3 This report describes NVEC'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 New West End Company and the City Council are required to follow to secure a fourth 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 NVEC's Renewal & Alteration 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 NVEC's proposed Renewal & Alteration 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 NVEC has a strong collaborative relationship with the City Council and is an active contributor to the West End Partnership and its working groups. Examples include:

- Recruit London: Over 1800 recruited from Westminster into the programme since inception. The BID is keen to evolve this looking at colleges and wider work across retail, hotel, restaurant and commercial sectors.
- Public Realm Funding: £5m private sector funding toward the Bond Street Improvement Plan. Working to secure up to £50m from private sector toward Oxford Street District transformation.
- West End Partnership: A range of programmes across freight consolidation, inward investment promotion, lobbying, marketing, safety & security to benefit the BID's business members and wider West End.
- TIF BID: Activation of private sector support with Westminster Property Association behind the lobbying campaign.
- Business Rates: Joint lobbying on better transitional rate relief £10m saving to West End businesses; supported Government £300m relief fund with £20m secured for Westminster Businesses.

3.2 It is anticipated that NVEC 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 NVEC 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 NVEC to continue into a fourth 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 & 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 March 2005 local businesses first voted to establish New West End Company Occupier BID with a 61% majority by number of votes of those who voted and 70% majority by aggregate rateable value of those who voted. The BID then went live in April 2005 for an initial three year term. In December 2015, New West End Company became one of the first UK Property Owner BIDs, winning a resounding 96% YES votes at the ballot. Over the past 12 years, retail and leisure businesses in the West End, including restaurants and hotels, have benefited from the effective work of New West End Company. This work, in partnership with Westminster City Council, has delivered substantive results improving and enhancing the trading environment of London's retail heartland. Significant results have been achieved over the last few years; a 40% reduction of buses on Oxford Street has commenced, funding in place and works started on a £10m Bond Street improvement scheme, £40m secured from the Mayor and TFL to improve the West End for the arrival of the Elizabeth Line, business rates campaign achieved £10m savings for West End business with access to a further £20m from the relief fund as a result of lobbying business rates by New West End Company. Fundamental reform of business rates is still required. Cost savings of over £1m to our members through the BID's recruitment and sustainability programmes. Major events with the Street Associations drive footfall and marketing has generated over £150m in positive coverage of the BID area across the globe.
- 4.2 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. NWECC has submitted its BID Renewal & Alteration Proposal for a fourth term to terminate on 31 March 2021. The City Council is statutorily bound to consider the proposal and hold a ballot of their businesses on NWECC's behalf.
- 4.3 The ballot for NWECC's proposed fourth term is due to take place during November and December 2017. 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 fourth term on 1 April 2018.

#### **5 NWECC Occupier BID Renewal & Alteration Proposals**

- 5.1 The New West End Company BID company (company number 4039488) 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 2018-2021. 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 including retailers, property owners and hoteliers.
- 5.2 NWECC formally submitted its BID renewal & Alteration proposal in August 2017.

The BID area is proposed to increase to include the wider hinterlands of the Oxford Street district, East and North Mayfair to taking a district wide approach rather than the previous linear approach of Bond, Oxford and Regent Street. The BID Levy of 0.65% applies to premises with a rateable value equal to or greater than £400k, 0.60% for hotels and 0.50% for owner occupiers. The BID levy will only be applied to retail, food and beverage and leisure (including hotels). The BID levy will assume a growth rate for inflation of 3% applied on the 1st April each year. Voluntary membership is available and will be actively encouraged by the BID. Together with voluntary contributions, sponsorship and other income sources the budgeted programme of activity for the BID area over the three year term is £16.3 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 16 November 2017 and finish on 14 December 2017. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.5 **ANNEX 1** summarises NWECC’s proposals for the next term grouped under the following priorities:
- Management: Improve environment to increase dwell time and spend
  - Marketing: Attract high value customers; focus on international opportunity
  - Insights: Improved measurements and greater customer insights
  - Advocacy: An influential business voice that delivers policy reform and investment
  - Property Owner BID Support
- 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 in writing at least 84 calendar days in advance of a request to hold a ballot. NWECC gave such notice in June 2017 of their request to hold a ballot in November 2017. NWECC will follow this up with the formal written request to hold a ballot in November 2017.
- 7.3 As required by regulation 4(2)(a)(i) of the 2004 Regulations, NWECC 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 NWECC has sufficient funds to meet the costs of the ballot should it be required to do so under the 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 NWECC, in writing explaining the nature of that conflict.
- 7.5 If the City Council is satisfied that the documents provided by NWECC meet the requirements of the 2004 Regulations, 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 NWECC'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 New West End Company 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 NWEC 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, Strategic Manager – Business & Enterprise on [hasadi@westminster.gov.uk](mailto:hasadi@westminster.gov.uk) or tel 020 7641 1842.

## **BACKGROUND PAPERS**

New West End Company Occupier BID Business Proposal 2018-21: Our New West End – The Power of Partnership dated 25<sup>th</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: **Cllr 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

**New West End Company Occupier Business Improvement District Renewal & Alteration Proposal 2018-21**

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 security and safety matters features as a priority within NWECC'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 address environmental and street scape concerns as well as improving air quality features as a priority within NWECC'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 NWEA's Renewal & Alteration Proposal includes significant marketing and promotional activity in particular, uniting three streets into district wide campaigns while also promoting the individual offer of streets, delivering major global events to drive worldwide profile, enhance brand proposition and commercial income to re-invest back into the district, positioning the West End as the greatest fashion, leisure and culture offer globally, leveraging West End Partnership and London Tourism platforms and developing a partnership plan to drive additional investment.

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.