



City of Westminster

Cabinet Member Report

Decision Maker:	Cllr Matthew Green, Cabinet Member for Business & Planning
Date:	4 November 2020
Classification:	General Release
Title:	Marble Arch London Business Improvement District Renewal & Alteration Proposal 2021-26
Wards Affected:	Hyde Park, Knightsbridge & Belgravia, West End, Little Venice, Bryanston & Dorset Square, and Church Street
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:	Debbie Jackson, Executive Director - Growth, Planning and Housing Westminster City Council, 64 Victoria Street, London, SW1E 6QP Tel: 07583 121313 Email: djackson@westminster.gov.uk

1. Executive Summary

- 1.1 In September 2020 the City Council received a draft Business Improvement District (BID) Renewal & Alteration Proposal from Marble Arch London BID. The proposal seeks a second term to last until March 2026. Minor alterations are proposed to the BID area, taking in small areas at each end of the district. These small extensions are in response to specific business requests to tackle particular issues and bring forward specific public realm projects. The ballot is proposed to take place during February and March 2021 with the result of the ballot to be announced on 5 March 2021.
- 1.2 The Marble Arch London BID Renewal & Alteration Proposal reflects the priorities of their business community and ensures that City for All is at the forefront of their thinking. The BID enters its second term in the most challenging of conditions for business members. The proposal sets out the BID's vital work in

future-proofing the location focused on four key themes of environment, security, celebrating and community. The BID's vision is to foster a location in which people should be confident to do business, shop, stay, work, eat out, attend school and live. We aim to promote, support and protect our members and their operations, and to provide them with the setting, insights, intelligence and tools to grow success.

- 1.3 This report describes Marble Arch London 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 Marble Arch London BID and the City Council are required to follow to secure a second term.
- 1.4 The Cabinet Member for Business & Planning is responsible for BIDs and so is asked to agree the recommendations in the report.

2. Recommendations

- 2.1 That the Cabinet Member endorses Marble Arch London BID's Renewal & Alteration Proposal.
- 2.2 To request the Chief Executive as the City Council's Returning Officer and "ballot holder" to hold a ballot for Marble Arch London BID in respect of their 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 is required to deliver throughout the BID's term and any other necessary legal matters for the BID as instructed and in consultation with the appropriate officers.

3. Reasons for Decision

- 3.1 Marble Arch London BID has a strong collaborative relationship with the City Council. Examples include:
 - Large public realm schemes, Marble Arch being the major one currently under consideration - a transformative scheme led by The Portman Estate will create a high-quality, safe civic space. The scheme aims to improve road safety, alongside better walking and cycling connections, creating an accessible and healthier environment with improved air quality.
 - Small scale public realm schemes, in partnership with Hyde Park Paddington Neighbourhood Forum, through Neighbourhood CIL and designed and delivered by WCC Highways.
 - Street Team and staff team regularly report environmental conditions, problem solving and snagging with Highways and Cleansing.

- Street Team monitor and refer rough sleepers to agencies, and deal with a host of local ASB. The BID participates in regular street counts with WCC and promotes the Hidden Network.
- The BID funds a dedicated Neighbourhood Co-ordinator at the Council, and feed in all intelligence to the Council for joint operations.
- Since the launch of the BID's Community Programme in 2016, it has supported 28 Marble Arch member companies to build relationships with more than 20 local schools, charities, and social enterprises. To date, Marble Arch businesses have donated over 1,000 hours of volunteering to the local community.
- The BID's Community Programme directly supported the response to the COVID-19 public health crisis proving vital companionship and support to local residents and connecting charities and schools with hotels, venues and offices, distributing surplus food, clothing and toiletries. The BID brought together nine local schools to help create a rainbow themed thank you mural for the 200 key workers staying at the Hilton London Metropole during the height of the pandemic.

3.2 It is anticipated that Marble Arch London BID will continue to play an active part in the joint working arrangements the City Council 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 Marble Arch London 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's Renewal & Alteration Proposal that has been submitted by Marble Arch London BID to continue into a second term. These do not conflict with City Council policies. The Cabinet Member 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 February 2016 78% of eligible businesses voted yes to establish Marble Arch London BID (88% by aggregate rateable value) with a turnout of 60%. The BID then went live in April 2016 for an initial five-year term.

4.2 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. Marble Arch London BID has submitted its BID Renewal & Alteration Proposal for a second term to commence on 1 April 2021 and terminate on 31 March 2026. The City Council has a statutory duty to

consider the proposal and hold a ballot of their businesses on Marble Arch London BID's behalf.

- 4.3 The ballot for Marble Arch London BID's proposed second term is due to take place during February and March 2021. 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 of the BID proposals, then the BID will formally start its second term on 1 April 2021.

5 Marble Arch London BID Renewal & Alteration Proposals

- 5.1 Marble Arch Partnership Limited (company number 08164848) is a not for profit company limited by guarantee. It was formed to operate the BID and is the BID Proposer putting forward these proposals for 2021-2026. 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 Marble Arch London BID formally submitted its BID Renewal & Alteration proposal in October 2020 (available as a background paper). Minor alterations are proposed to the BID area, taking in small areas at each end of the district. These small extensions are in response to specific business requests to tackle particular issues and bring forward specific public realm projects.
- 5.3 The BID Levy of 1.4% applies to premises with a rateable value equal to or greater than £76,001. The BID levy will assume a growth rate for inflation of 3% applied on 1 April each year, with the BID Board being able to exercise discretion to set a lower inflation growth rate. The levy per hereditament will be capped at £28,000 in year one of the second BID Term, plus indexation for future annual chargeable periods under the second BID Term. Where businesses share a common brand or operating name with other levy payers in the Marble Arch London BID area, together they will not be charged more than £30,000 in year one of the second BID Term, plus indexation in future annual chargeable periods under the second BID Term. This shared cap amount will be apportioned to reflect the levy which would have been due prior to the cap granted on each of their hereditaments. Voluntary membership is available and will be actively encourage by the BID when engaging with landlords and estates in the BID area as well as organisations and businesses outside the area who are interested in the BID.
- 5.4 The BID will raise an estimated £700,000 in the first year, rising thereafter as new developments are completed and occupied. With voluntary contributions from landlords and estates, over £4 million will be invested in the BID area over the five-year term.

- 5.5 The ballot period lasts for a minimum of 28 days and is due to start on the 4 February 2021 and finish on 4 March 2021. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.6 As a champion for business, Marble Arch London BID is a promoter, partner and advocate for the 200 member organisations located in the Marble Arch and Edgware Road district – the only body with the single aim of speaking for the district.
- 5.7 The next five years will see the completion of significant developments across the district, consolidating the area’s position as one of London’s prime commercial locations accompanied by the arrival of the Elizabeth Line, with two stations, Paddington and Bond Street, boosting accessibility and journey times into the district.
- 5.8 The BID’s vital work in future-proofing the location remain focused on their four key themes of environment, security, celebrating and community. The BID’s vision is to foster a location in which people should be confident to do business, shop, stay, work, eat out, attend school and live. They aim to promote, support and protect their members and their operations, and to provide them with the setting, insights, intelligence and tools to grow success. These accord with much of the City Council’s own aspirations for the area and the city generally.
- 5.9 A partnership approach on environment, transport and public realm schemes lies at the heart of the BID’s activities. Marble Arch London BID has the lowest BID levy income of all BIDs in Westminster as such their role is one of lobbyist, leveraging in external funding to complement BID expenditure. It is estimated that over £6.5 million has already been levered into the BID area and invested in highway infrastructure since the BID commenced operations in April 2015.
- 5.10 Priorities for the second term include:
- Continuing to work hand in hand with Westminster City Council, Transport for London and The Royal Parks, progressing gateway schemes, completing junction improvements, bringing forward major public realm schemes, tackling legacy subways and addressing freight, waste and air quality challenges.
 - Intelligence led responses to crime and anti-social behaviour through their dedicated Street Team, Neighbourhood Co-ordinator and Business Crime Group.
 - Supporting the revitalisation of the district’s hospitality sector following the Covid-19 pandemic by setting a clear path for the revival of the area and being there for every step of the way as their members continue their recovery.

- Transitioning the Community Programme to offer a blended approach of both virtual and in-person volunteering opportunities, ensuring the needs of the community are met whilst enabling Marble Arch employees to use their skills and donate their time to volunteering activities. Emphasis will be placed on skilled opportunities allowing colleagues to showcase their abilities and maintain their connection to the local area, whether in-person or remotely, supporting schools and colleges, jobseekers and charity partners. Ever-popular team challenges will play an essential role in rebuilding morale, as teams adjust to working together again.

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.

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. Marble Arch London BID gave such notice in July 2020 of their request to hold a ballot in March 2021. Marble Arch London BID followed this up with the formal written request to hold a ballot in March 2021.
- 7.3 As required by regulation 4(2)(a)(i) of the 2004 Regulations, Marble Arch London 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 Marble Arch London 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 Marble Arch London BID, in writing explaining the nature of that conflict.
- 7.5 If the City Council is satisfied that the documents provided by Marble Arch London 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 Marble Arch London 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 Marble Arch London 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 Sharon Cudjoe, Bi-Borough Legal Services

8. Consultation

- 8.1 Marble Arch London 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: 07816 219476.

BACKGROUND PAPERS

Marble Arch London BID Renewal and Alteration Proposal 2021-26 dated 19th October 2020.

For completion by the **Cabinet Member for Business & Planning**

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 **Marble Arch London Business Improvement District Renewal & Alteration Proposal 2021-26** and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for *Business and Planning*

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 the safety of their members, their customers, staff and guests has been a priority since the outset of Marble Arch London BID's first term. Levels of crime, fear of crime and anti-social behaviour were all cited as one of the top concerns. The BID's vision is to foster a location in which people should be confident to do business, shop, stay, work, eat out, attend school and live. The BID aims to protect their members and their operations, and to provide them with the insights, intelligence and tools to build resilience.

In the BID's second term they will continue to deploy their Street Team six days a week from early morning to late at night throughout the year, providing a visible, reassuring presence on the street, offering practical support to shops, restaurants, hotels, banks, schools, offices, cafes, and the emergency services. The BID's membership of Safer West End, a local business crime reduction partnership, provides a GDPR compliant online intelligence sharing platform that allows our security team and some member businesses to log information and intelligence about individuals committing regular thefts and anti-social behaviour in our area. This offers a network for information sharing across central London so that

individuals committing offences can be more easily identified. The BID is a member of its Steering Group, helping to direct its priorities and create better relationships with the Police. The BID launched its Business Crime Group in 2018, in conjunction with Safer West End, enabling local businesses to meet the local Police Teams and raise local concerns. Since January 2020, the BID has funded a dedicated Neighbourhood Co-ordinator post at Westminster City Council, whose role it is to corral Council services, analyse data from problem issues and areas and commission multi-service and multi-agency solutions. Problem locations are now being 'designed out' through changes to the public realm, removal of street clutter and increased monitoring and surveillance. Building resilience and counter terrorism will continue to be a priority in the BID's second term.

6. Impact on the Environment

There are no implications though it is worth noting that supporting efforts by Westminster City Council to reduce freight on local roads by stepping up support for local businesses seeking to consolidate freight and waste activities features as a priority within Marble Arch London BID's Renewal & Alteration Proposal. Through its regional and national networks, the BID is well placed to identify funding for pilot projects and identify best practice. The movement towards active travel was accelerated following the Covid-19 crisis as local employees looked to walking and cycling more, supported by the BID's work to increase both on-street and secure cycle parking. This momentum will be maintained, and employers supported to offer greater choice to employees to explore active travel in their journeys to and from work in the district.

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 Marble Arch London BID's Renewal & Alteration Proposal includes significant activity that aims to continue to raise the profile of the district and draw people to Marble Arch through the promotion of events and local marketing, which not only benefit retailers, hotels

and restaurants but also helps to improve the working environment for local employees.

The BID has been working with partners and agencies to showcase the area as a location for cultural, dining and outdoor events from the outset. Their events drive footfall to the area's businesses, raise awareness of the area's cultural significance, generate press coverage for their members and position Marble Arch as an event space. The BID's PR strategy will aim to enhance the reputation of the district as a welcoming and thriving destination to shop, visit and work. They will build on their relationship with neighbouring West End organisations and work in close collaboration with key partners, such as London & Partners, the international trade, investment and promotion agency for London, to showcase the Marble Arch area to domestic audiences and bring UK visitors back to London after the decline experienced due to the Covid-19 crisis.