



Decision Maker: Cllr Matthew Green, Cabinet Member for Business & Planning

Date: 21 December 2020

Classification: General Release

Title: NVEC Occupier & Property Owner Business Improvement Districts Renewal & Alteration Proposal 2021-26

Wards Affected: West End, Marylebone High Street, Bryanston & Dorset Square

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 October 2020 the City Council received a draft Business Improvement District (BID) Renewal and Alteration Proposal from The New West End Company (NVEC) for both their Occupier and Property Owner BIDs. The 82 Streets in the BID area, acknowledged in the London & Westminster City Plan as the West End's International Centre, are anchored by Bond Street, Oxford Street and Regent Street and include the hinterland areas of East Mayfair, North Mayfair and North Oxford Street. A modest extension is proposed around Berkeley Square following consultation with the business community. This will bring benefits to the wider group of organisations in the West End and reflect the larger retail and leisure footprint that now exists. The ballots are proposed to take place during February and March 2021 with the result of the Occupier BID ballot to be announced on 18 March 2021 and the result of the Property Owner BID ballot to be announced on the 19 March 2021.

- 1.2 NWEC's Occupier and Property Owner BIDs' Renewal & Alteration Proposal reflects the priorities of their business community, drawing on the experience and guidance of over 100 West End businesses on their Steering & Management Groups and ensures that City for All is at the forefront of their thinking. NWEC'S vision is to make the West End's International Centre the most diverse, sustainable and inspiring place to visit and do business. Their mission is to create value for all their members, supporting sustainable growth. Following two decades serving 600 business members, NWEC are approaching their next term at the start of a new decade. On their recovery journey from COVID 19, they set out in their Business Proposal to secure ongoing commitment for their renewal mandate, so that they can continue to deliver five further years of district transformation and progress.
- 1.3 This report describes NWEC's Occupier and Property Owner BIDs' Renewal & Alteration 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 and The Business Improvement Districts (Property Owners)(England) Regulations (the 2004 and 2014 Regulations), which The New West End Company and the City Council are required to follow to secure a further term for both the Occupier and Property Owner BIDs.
- 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 NWEC's Occupier and Property Owner BIDs' 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 NWEC's Occupier and Property Owner BIDs' 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. In addition, deal with related service specifications for all other connected services which the City Council is required to deliver throughout each BIDs next term and any other necessary legal matters in respect of NWEC's Occupier and Property Owner BIDs' Renewal & Alteration Proposal as instructed and in consultation with the appropriate officers.

3. Reasons for Decision

- 3.1 NWEC has a strong collaborative relationship with the City Council. Notable achievements over the last three years include:
 - Securing 'International Centre' policy status for the district in the West End
 - 50% fewer buses on Oxford Street & Regent Street

- £150m Oxford Street improvement plan confirmed in 2019 following a complex cross party working and advocacy campaign
 - £10m Bond Street Scheme completed
 - £2m extra funding raised for the £12m transformation of Hanover Square
 - £18m East Mayfair public realm enhancement programme secured with partners
 - £10m additional non-BID levy raised and re-invested into the area
 - £20m in local business rates relief fund returned in 2018 to West End businesses through our advocacy and facilitated through Westminster City Council
 - Implemented a pilot West End freight and waste consolidation service which reduced number of waste vehicles in East Mayfair by 17.5%
 - £60m district reputation media coverage reaching 250m people locally & globally
- 3.2 It is anticipated that NWECC 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 NWECC 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 Proposal that has been submitted by NWECC to secure a further five-year term for their Occupier and property Owner BIDs. These do not conflict with City Council policies. The Cabinet Member is therefore asked to endorse NWECC's Occupier and Property Owner BIDs' 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 The 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 2017, NWECC's Occupier BID secured a fourth term with a resounding 92% YES vote by number of votes of those who voted and 96% majority by aggregate rateable value of those who voted. In December 2015, New West End Company became one of the first UK Property Owner BIDs, winning a resounding 96% YES vote at the ballot.
- 4.2 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. Subject to successful ballots, NWECC's Occupier and Property Owner BIDs propose a further five-year term that would 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 The New West End Company's behalf.

- 4.3 The ballots are 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 proposals, then the BIDs will formally start their next term on 1 April 2021.

5 NWECS Occupier & Property Owner BIDs Renewal & Alteration Proposal

- 5.1 The New West End Company (Company Number 4039488) is a not for profit company limited by guarantee. It was formed to operate the BIDs and is the BID Proposer putting forward these plans for 2021-2026. Assuming a successful ballot, it is the legal entity that will continue to provide governance and run the activities of the BIDs supported by an experienced and effective team. The Board is a cross-sector representation of the BIDs' levy-paying occupier and property owner base including retailers, property owners and hoteliers.
- 5.2 The New West End Company formally submitted its Occupier & Property Owner BIDs Renewal & Alteration Proposal in December 2020 (available as a background paper). For each BID the ballot period lasts for a minimum of 28 days. In the case of the Occupier BID the ballot is due to start on the 17 February 2021 and finish on 17 March 2021. In the case of the Property Owner BID the ballot is due to start on the 18 February 2021 and finish on 18 March 2021. The BID ballots are administered separately but take place simultaneously. The Property Owner BID is dependent on the Occupier BID being voted in. A Property Owner BID cannot exist without an Occupier BID. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.3 For both the Occupier and Property Owner BIDs, a BID Levy of 0.65% applies to premises with a rateable value equal to or greater than £400,000 using the 2017 rating list as at 1 April 2021. The BID levy will assume a growth rate for inflation of 3% applied on 1 April each year. If the relevant long lease or freehold property owner is part of the same group as the occupier BID levy payer for any rateable hereditament over £400,000 then the Occupier / Property Owner BID levy shall be fixed at 0.325% of RV using the 2017 rating list as at 1 April 2021 for that relevant interest. The BID levy will only apply to retail, food and beverage and leisure hereditaments (including hotels).
- 5.4 Together with voluntary contributions, sponsorship and other income sources the budgeted programme of activity for the area over the five-year term is £9.2 million.
- 5.5 NWECS's overriding Manifesto pledge to their members is to work with members and partners to return the West End's International Centre to 2019

levels of sustainable economic performance but within the new environment created by COVID and in a more sustainable way which responds to global consumer trends. Key enablers include:

- A fully open and operating Elizabeth Line
- Completion of the £150m Oxford Street District Transformation
- A flexible approach to planning, licensing & development in the 'International Centre'

This will be underpinned by:

- Improving the environment and services, enhancing business performance - customers will benefit from excellence and convenience with every visit, with streets that are clean, safe and healthy with seamless digital and physical interactions and services.
- Providing an influential business voice, with results - leading campaigns and initiatives that support economic, environmental and social progress leveraging the district's International Centre status.
- Providing insights and cultivating innovation to gain a competitive edge – delivery of cutting-edge data and insights around social, environmental and economic impact for their members that allow them to make better informed, and more responsive, business decisions.

In addition to the top goal of returning the West End's International Centre to 2019 levels of sustainable economic performance NWEC are prioritising working with TfL and WCC towards the district being the first Zero Emissions Transport Zone in London by 2025 and for the district to become a Digitally Enabled 'Smart' District by 2025.

6. Financial Implications

- 6.1 The services provided by the 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 separate ring-fenced BID funds before passing it over to The New West End Company.

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

7. Legal Implications

- 7.1 Business improvement Districts (BIDs) are regulated by the 2004 and 2014 Regulations which sets out the process for a BID to become formally established, renewed and or altered.
- 7.2 The New West End Company, as the BID proposer must give at least 84 days' notice to the City Council and the Secretary of State to request the Council's ballot holder to hold a Renewal & Alteration ballot for each of the Occupier and Property Owner BIDs. The New West End Company gave such notice in November 2020 for a BID ballot to be held in March 2021.
- 7.3 As required by the 2004 and 2014 Regulations, The New West End Company have also provided the Council with the following:
 - 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 New West End Company has sufficient funds to meet the costs of the ballot should it be required to do so as permitted by the 2004 and 2014 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 The New West End Company, in writing explaining the nature of that conflict.
- 7.5 Where the City Council is satisfied that the documents provided by The New West End Company meet the requirements of the 2004 and 2014 Regulations and have sufficient funds to hold a BID ballot, the City Council shall comply with

the 2004 and 2014 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. The City Council's ballot holder must make arrangements for conducting the relevant BID ballot in accordance with Schedule 2 of the 2004 and 2014 Regulations, the proceedings for the ballot shall be conducted in accordance with the following (which may be subject to change in accordance with the Regulations):

Proceeding(s)	Time
Publication of Notice	At least 42 days before the day of the ballot
Day of the Ballot	<p>must be a working day and at least 28 days after the date on which the ballot papers were sent to voters (or where the ballot papers were sent on more than one date, the last such date and;</p> <p>No later than 90 days from the date on which the ballot holder published the notice</p>
Declaration of the results	<p>The ballot holder shall certify:</p> <p>the total number of votes casted excluding any ballot papers rejected</p> <p>the aggregate rateable value of each hereditament in respect of which a person voted in the ballot;</p> <p>the total number of votes cast in favour of the question asked in the ballot; and</p> <p>the aggregate rateable value of each hereditament in respect of which a person voting in the ballot has voted in favour of the question asked.</p> <p>The ballot holder, having made the certification above shall (a) forthwith make a declaration of the matters so certified and (b) as soon as reasonably practicable give public notice of the matters so certified.</p>

7.6 Regulations 12 and 14 of the 2004 and 2014 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 Where 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 The New West End Company's Occupier & Property Owner BIDs Renewal & Alteration Proposal 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 New West End Company will need to be drawn up in respect of the council's obligations for the BID Levy collection, and the service specification for various services under a Baseline Service Level Agreement for services such as cleansing and highways which the City Council will continue to deliver throughout each BID term which may be subject to periodic review and consultation with The New West End Company.

Legal implications verified by Sharon Cudjoe, Senior Solicitor, Bi-Borough Legal Services

8. Consultation

- 8.1 The New West End Company has carried out its own consultation with businesses in formulating its Occupier and Property Owner BIDs Renewal & Alteration Proposal.
- 8.2 Ward Members have been consulted during the drafting of this report.

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

New West End Company Renewal Mandate Business Proposal 2021 – 2026: Better Together, For Good dated 7th December 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 **NWEC Occupier & Property Owner Business Improvement Districts Renewal & Alteration Proposal 2021-26** and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for *(add portfolio title)*

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 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 NWEC'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.