



City of Westminster Cabinet Member Report

Decision Maker:	Cllr Matthew Green, Cabinet Member for Business, Licensing and Planning
Date:	2 July 2021
Classification:	General Release
Title:	Brompton Road Partnership BID Proposal 2021 - 2026
Wards Affected:	Knightsbridge & Belgravia
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 & Housing

1. Executive Summary

- 1.1 In June 2021, the City Council received a draft cross-borough Business Improvement District (BID) Proposal from the Brompton Road Partnership for a new BID for Brompton Road. The proposed BID footprint spans across the Royal Borough of Kensington and Chelsea (RBKC) and the City of Westminster with the majority of hereditaments falling within the City of Westminster's jurisdiction. As such, Westminster City Council are the lead local authority for the coordination of this proposal, however two separate BID ballots will be held by each local authority for the businesses within the proposed footprint which fall within their respective borough boundaries. The proposed BID boundary covers the business district running north east from Montpelier Street, right through Brompton Road and the western boundary commences at Trevor Street where it meets the Knightsbridge junction and runs east through to Wilton Place. The proposed BID footprint includes the main commercial elements of the district. The BID ballot is proposed to take place during August and September 2021 with the result of the ballot to be announced on 24th September 2021.
- 1.2 The Brompton Road Partnership BID proposal reflects the priorities of their business community and ensures that 'City for All' is at the forefront of their thinking. The Knightsbridge area is the heart of a shopping district and holds

International Centre status as one of just two International centres formally designated by the Mayor in his London Plan. The Kensington and Chelsea Local Plan and the Westminster City Plan geographically define the extent of the International Centre which attract millions of domestic and international tourists every year. The commercial success of the district has brought about substantial benefits for neighbouring businesses, however the hard-hitting impacts of the pandemic have meant that the commercial activity has declined, along with deteriorating public realm and unpleasant pedestrian infrastructure, reduced capacity to manage on-street cleaning services and a rise in Anti-Social Behaviour (ASB) has in-turn led to safety concerns within the local area. All of these factors if not addressed may impact the attractiveness of the area to both visitors and investors and therefore it's competitiveness as district against others globally.

- 1.3 A new case has been made to take a strategic and coordinated approach to the management and planning of this geographical area with key stakeholders that comprise of landowners, occupiers, residents and local authority representatives. The intention of the establishment of this BID will be to drive key changes and improvements to this retail landscape. Additionally, the disproportionate impact of Covid-19 on the retail and hospitality sectors which have a prominent presence in the Brompton Road and Knightsbridge area, has reinforced the need for localised action.
- 1.4 This report describes the Brompton Road Partnership's BID 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) and in accordance with Part 4 of the Local Government Act 2003; which the Brompton Road Partnership as the new BID proposer and the City Council, are required to follow to secure the new proposed BID.
- 1.5 The Cabinet Member for Business, Licensing & 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 the Brompton Road Partnership's BID proposal.
- 2.2 To request the Chief Executive as the City Council's Returning Officer and "ballot holder" to hold a ballot for the Brompton Road Partnership in respect of their BID 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 the BID's term and any other necessary legal matters in respect of the Brompton Road Partnership BID Proposal as instructed and in consultation with the appropriate officers.

3. Reasons for Decision

- 3.1 The added challenge of Covid-19 and its disproportionate impact on the hospitality and retail sectors within Brompton Road and Knightsbridge, has reinforced the need for strategic and coordinated action.
- 3.2 The key aim of the proposed BID is to help businesses to overcome the damage caused by Covid-19 and to secure a long-term future by creating a district that will benefit residents, visitors, businesses and investors. Through partnership working with partners and the local communities, the objective is to ensure that Knightsbridge and the Brompton Road remains a vibrant, viable and sustainable area which works for businesses and residents and of which we can all be proud.
- 3.3 It will provide a voice for Knightsbridge businesses to encourage closer working with the two local authorities Westminster City Council and RBKC and Transport for London to identify, secure and deliver investment to enhance the district. A BID will help businesses to engage with local residents to create together, improvements that benefit the whole local community
- 3.3 The establishment of the BID will provide an opportunity for stakeholders and businesses to work collaboratively to achieve a potential £6m investment into recovery over the next 5 years.

4. Background, including Policy Context

- 4.1 The proposed new BID's first term would commence on 1 October 2021 and terminate on 31 September 2026. The City Council has a statutory duty to consider the proposal and hold a ballot on the Brompton Road Partnership's behalf.
- 4.2 The ballots for the proposed Brompton Road Partnership's BID are due to take place during August and September 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 first term on 1 October 2021.

5. Brompton Road Partnership BID Proposal

- 5.1 Cadogan Estates Ltd is a British property manager, developer and investor within the West London district of Chelsea and Knightsbridge who has led (along with other funders) the Brompton Road Partnership. The Brompton Road Partnership's long-term vision is to safeguard the area's vitality and ensure that it remains one of the capital's most thriving and fashionable districts.
- 5.2 The Brompton Road Partnership formally submitted its BID proposal on 25 June 2021 (available as a background paper).
- 5.3 The BID Levy of 1% applies to premises with a rateable value equal to or

greater than £50,000. The levy will assume an annual growth rate for inflation of 3% to be applied on April 1 each year. The levy per hereditament will be capped at £100,000. The BID levy will only apply to retail, food and beverage, leisure (including Hotels) and office hereditaments. Properties that come into the rating list during the BID term will be subject to the levy from the effective date that the property is brought into the rating list and the rateable value effective at that time. Where the rateable value for an individual hereditament changes and results in a lower levy, then this comes into effect only from the start of the financial year in which the change is made and no refunds will be made for previous years. The BID levy will not be increased other than as specified in the BID levy rules. The BID levy rules and BID area cannot be altered without an alteration ballot.

- 5.4 The ballot period lasts for a minimum of 28 days and is due to start on the 27 August 2021 and finishes on 24 September 2021. To ensure neutrality and as this is a cross-borough BID, two separate ballots will be held by the respective local authorities, Westminster City Council and RBKC. However, as the majority of the hereditaments within the proposed BID boundary fall within the City of Westminster's jurisdiction, Westminster City Council are the lead local authority for the coordination of the Brompton Road BID Ballot processes.

- 5.5 Priorities for the BID's initial term include:

Supporting Covid-19 Recovery

It goes without saying that all businesses have been impacted by the Covid-19 pandemic in some way shape or form, but in particular, due to its reliance on foreign investment and international spend as an International Centre, the Brompton Road district has suffered significantly greater impacts than other areas of London. Following the sustained impacts on this community, the primary intention is to rebuild visitor confidence and develop a recovery plan for the area. Additionally, the Covid-19 pandemic has catalysed the requirement for retail districts to adapt and evolve in order to meet the ever-changing customer demands such as experiential shopping and digitalisation of services. The BID will:

- Provide leadership helping to create a clear strategy with partners for the safe and sustainable recovery of the Brompton Road economy.
- Position itself at the forefront of the recovery plan for Brompton Road through innovative and creative thinking, initiatives and activities.
- Establish the clear and realistic vision of a district renowned for high-end luxury shopping and complementary uses of appropriate quality but which also encourages the growth of a wide range of local amenities for people who live and work in the district.
- Encourage businesses and authorities to adopt that vision as an incentive and a guide for future investment and decision making.
- Encourage businesses and authorities to work together on the practical measures needed to create a district that will attract the investment, businesses and visitors envisaged in the vision.

- Help maintain and develop a destination of excitement and memorable experiences for visitors, workers and the local community.
- Work with business partners to explore a district wide digital strategy as part of the attraction to visitors, employers and residents.
- Add significant additional value to the area's promotional and communication programme to ensure that recovery plans are well-resourced and sustainable over a five-year period.

Harnessing the Power of Partnership

As this is a cross-borough BID proposal, the BID will concentrate on bringing the key stakeholders and businesses together with both the City Council and RBKC as well as Transport for London (TfL) and the Mayor of London. The BID does realise however that the partnership working arrangements extend beyond government organisations and therefore the BID has engaged resident groups, cultural organisations, ward councillors and other community groups. Projects will be selected and designed with the input of these key stakeholders to ensure that the needs of the community are met and that the right improvements are implemented. The BID will:

- Provide essential leadership and influence.
- Build positive working relationships with a range of partners to drive the adoption and successful delivery of the Business Plan's projects and policies.
- Establish the BID's role as a constant and dedicated driver of change for the whole district and a catalyst to help mobilise businesses and our key public sector delivery partners.
- Provide a platform for businesses to work together with all elements of the local community to achieve an agreed vision for the district that benefits all stakeholders.
- Work with residents and the wider community for the Business Plan proposals.

Leveraging the International Centre

Knightsbridge is one of two International centres formally designated by the Mayor in his London Plan and recognised in The Kensington and Chelsea Local Plan and the Westminster City Plan. The International Centre status of the area paves the way to promote policies and to lobby at both a national and local level on matters concerning policing and security, improved street management, Sunday trading regulations and more. The BID will:

- Take the lead in ensuring that Knightsbridge retains and enhances its position as an International Centre in the face of increasing global competition.

- Work with the West End International Centre to establish the importance of the International Centres to the economies, job provision and global appeal of London and the UK more widely.
- Identify and promote policies that protect, enhance and benefit the International Centre and its businesses so that they can continue to hold their own against our competitor global districts.
- Identify and promote areas where the International Centre designation requires approaches different from the rest of London
- Use media and social media to promote the corporate interests and positioning of the International Centre and establish the BID as a valued resource for journalist, government, trade bodies and other influencers.
- Work with businesses and destination marketing bodies to maximise the impact of consumer marketing within existing budgets and programmes

Destination Marketing

Destination marketing is pivotal to ensuring Knightsbridge and the Brompton Road continues to retain its national and international standing as an attractive place to invest, live and work, and a major attraction for domestic and international tourists, specifically for high-end luxury shopping with complementary attractions of appropriate quality. The BID will:

- Support, maintain and enhance its position to build the image of a must-visit destination and an international business address.
- Enhance the reputation of Knightsbridge and Brompton Road.
- Promote a cohesive identity to businesses, tourists and Londoners and create a powerful message that resonates as strongly with international audiences as it does with those from London and the rest of the UK.
- Work with businesses and neighbouring attractions to deliver an effective and affordable programme of events and marketing opportunities to promote the district.

Driving Transformational Change

Investment is key to the area's long-term success and is imperative in ensuring that it retains its commercial attractiveness in the face of global competition coupled with the impacts of Covid-19. The BID will be the leading voice of the on the future of the area's built environment and public realm. The public realm improvement plans, developed within our strategic vision, view the area holistically and propose a series of schemes which look at the challenges and opportunities for the district. A quality streetscape is essential for the area to attract businesses, retain staff and enhance the visitor experience.

Well-managed streets will be an integral part of our commitment to delivering a world-class destination. The BID will:

- Propose and promote the adoption and delivery of specific highways and transport, public realm, and street management improvements, taking account of existing proposals from local amenity groups.
- Define and promote priority transport projects that can be realistically delivered (over a range of timescales)
- Define and promote public realm projects that can be delivered and will enhance both the district and business performance.
- Comment on proposed developments and on proposed changes to local planning and licencing regulations to ensure they support the delivery of the Strategic Vision.
- Provide additional street management services in partnership with our local authorities.
- Explore options for appropriate digital infrastructure to support the growth of businesses in the International Centre and retain national and international competitiveness.
- Employ an Ambassador service as a public face of the BID
- Be a catalyst and local focus for the district to ensure that it takes seriously its environmental responsibilities within the context of local authority climate emergency plans and as Britain heads towards a zero-net carbon economy.

Providing Business Support and Insights

The BID will support businesses by taking a district-wide approach to implement measures that help business development and growth and taking into consideration sectoral needs. The BID will establish a structure to effectively assess the evolving needs and priorities of the business community within the area and the implementation of a programme that is focussed at supporting revenue generation and reducing costs. The BID will ensure that businesses in Knightsbridge and Brompton Road will be equipped to perform at their optimum by providing them with the right tools, guidance and support they need to thrive. The BID will:

- Provide weekly political and operational updates ensure our members are kept up-to-date with what is happening in the area.
- Deliver workshops, seminars and face-to-face training with experts on key issues and topics – information gathering, learning and development opportunities which provide valuable and practical insight to members.
- Engage with the relevant authorities on policy matters and responding to consultations with a collective voice.

- Provide local leadership and a powerful collective voice to inform policy and affect change where required on issues that matter most to businesses in the area.

6. Financial Implications

- 6.1 The services provided by the BID will be in addition to 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 Business improvement Districts (BIDs) are regulated by the Local Government Act 2003 (“the Act”) and the 2004 and 2014 Regulations which sets out the process for a BID ballot to be held for the BID to be formally established, renewed and or altered.
- 7.2 The Brompton Road Partnership, as the BID proposer must give at least 84 days’ notice to the City Council (and the Royal Borough of Kensington and Chelsea) and the Secretary of State to request the Councils’ ballot holders’ to hold a BID ballot. The Brompton Road Partnership gave such notice in April 2021 for a BID ballot to be held in August 2021.
- 7.3 As required by the 2004 and 2014 Regulations, Brompton Road Partnership 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 Brompton Road Partnership 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 Brompton Road Partnership, in writing explaining the nature of that conflict.
- 7.5 In 2013 the government introduced cross boundary Business Improvement Districts enabling BIDs to operate across local authority boundaries.
- 7.6 Regulation 21 of the 2014 Regulations states that all expenditure properly incurred by the ballot holder in relation to the holding of a ballot under the 2014 regulations shall be paid by the relevant billing authority.
- 7.7 Under the Act, regulation 22 and Schedule 5 of the 2014 Regulations, two or more authorities may make BRS-BID arrangements (“joint BRS-BID arrangements”) in respect of each authority with cross boundary interests.
- 7.8 Where local authorities make arrangements for a cross boundary BID and work in partnership, they must agree who will be the ‘lead authority’. In the absence of agreement, the authority with the largest number of hereditaments in the proposed BID area will be deemed to be the lead authority.
- 7.9 Where the City Council is satisfied that the documents provided by Brompton Road Partnership 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 to the Secretary of State	At least 42 days before the day of the ballot confirming the notice of the ballot has been issued
Day of the Ballot	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;

	No later than 90 days from the date on which the ballot holder published the notice
Declaration of the results	<p>The ballot holder shall certify: the total number of votes casted excluding any ballot papers rejected the aggregate rateable value of each hereditament in respect of which a person voted in the ballot; the total number of votes cast in favour of the question asked in the ballot; and 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>

7.10 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:

7.10.1 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

7.10.2 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.

7.11 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:

7.11.1 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;

7.11.2 the nature and extent of the conflict referred to in paragraph 7.6.1 above;

7.11.3 in relation to **Section 5.3 of this report**, 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;

- 7.11.4 the extent to which the BID proposer discussed the BID proposals with the authority before submitting the BID proposals to the authority; and
- 7.11.5 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.
- 7.12 At the time of writing, the City Council is of the opinion that:
- 7.12.1 Brompton Road Partnership's proposals for a new Brompton Road BID are in line with Council policies and priorities; and
- 7.12.2 the proposals are not a significantly disproportionate financial burden on any persons or class of persons.
- 7.13 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.
- 7.14 Two legal agreements between the City Council and the Brompton Road Partnership will need to be drawn up to cover 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 Brompton Road Partnership .

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

8. Consultation

- 8.1 The Brompton Road Partnership has carried out its own consultation with businesses in formulating the new Brompton Road BID Proposal.
- 8.2 Ward Members have been consulted during the drafting of this report. All of which welcome and support the establishment of this new BID.

BACKGROUND PAPERS

Master Brompton Road BID Business Plan 2021 – 2026 dated 25th June 2021

If you have any queries about this report, please contact:
Rachel Thevanesan, Business Support Programme Manager by Email:
rthevanesan@westminster.gov.uk or Tel: 07971092914.

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

Declaration of Interest

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

Signed: _____ Date: _____

NAME: **Councillor Matthew Green** _____

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

Brompton Road Partnership BID Proposal 2021 - 2026

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

Signed

Cabinet Member for Business, Licensing & 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 & Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human 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 security and policing is a priority workstream for the new proposed BID.

6. Impact on the Environment

There are no implications

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 'Destination Marketing' is a priority workstream for the new proposed BID.