



City of Westminster Cabinet Member Report

Decision Maker:	Cllr Matthew Green, Cabinet Member for Business, Licensing and Planning
Date:	4 August 2021
Classification:	General Release
Title:	Harley Street Area Partnership Ltd BID Proposal 2022 - 2027
Wards Affected:	Marylebone High 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 & Housing

1. Executive Summary

- 1.1 In May 2021, the City Council received a draft Business Improvement District (BID) Proposal from the Harley Street Area Partnership Ltd for a new BID for the Harley Street area. The BID boundary covers the business district from Marylebone Road in the north to Bolsover Street in the east as far south as Henrietta Street and meets the boundary of the Baker Street Quarter BID in the west. The BID boundary overlaps with the New West End Company (NVEC) in the southern section. NVEC is a retail and leisure BID and only applies levies to businesses rated to these industries with specific Valuation Office Agency (VOA) codes. Any hereditaments which are subject to the NVEC BID levy will be excluded from the Harley Street Area BID levy liability. The BID ballot is proposed to take place during November and December 2021 with the result of the ballot to be announced on 3rd December 2021.
- 1.2 The Harley Street Area Partnership Ltd BID proposal reflects the priorities of their business community and ensures that 'City for All' is at the forefront of their thinking. The Harley Street area is nationally and globally renowned as a centre of medical excellence and innovation and is one of the area's greatest assets. Although in recent years, it has begun to attract a variety of sectors to join those in the health and medical industries, as many businesses recognise the benefits the area has to offer, including great accessibility and transport

links, as well as its central location. Following the impacts from the hard and sustained Covid-19 pandemic, and as the City commences its recovery, the establishment of the Harley Street Area Partnership Ltd BID comes at a pivotal time for the area and its surrounding geographies.

- 1.3 The proposal to establish a dedicated BID for the Harley Street area came about in 2019, following a feasibility study commissioned by Howard De Walden. The partnership, which comprises of landowners, medical organisations and major occupiers, have engaged the Harley Street community and have set out a clear vision for the future of the area. Crucially, the establishment of a BID will bring about collective action and collaboration which will enable the district to continue to grow into a sustainable, attractive, secure and globally recognised destination, able to meet the changing needs of businesses across the whole community.
- 1.4 The establishment of the Harley Street Area Partnership Ltd will be the UK's first ever BID with a medical focus. Investment into the area will unlock tangible enhancements to support business growth and will crucially position the Harley Street area as pioneering and world-leading.
- 1.5 This report describes the Harley Street Area Partnership's Ltd 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 Harley Street Area Partnership Ltd as the new BID proposer and the City Council, are required to follow to secure the new proposed BID.
- 1.6 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 Harley Street Area Partnership's Ltd 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 Harley Street Area Partnership Ltd 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 Harley Street Area Partnership Ltd BID Proposal as instructed and in consultation with the appropriate officers.

3. Reasons for Decision

3.1 The proposed Harley Street Area Partnership Ltd BID will be the fifth Westminster BID under Chief Executive Ruth Duston. Primera Ltd's other BIDs have well established successful collaborative relationships with the City Council and has been instrumental in delivering significant changes within south Westminster in particular, over the last two years, examples of these are:

- Working with the Victoria BID and Westminster City Council to regenerate Christchurch Gardens as a world class urban green space
- Joining a radio link system connected businesses to local Met Police teams
- Providing dedicated cleaning teams including night-time cleaning and security teams
- Daily reporting of issues to the local authority and relevant stakeholders for action
- Delivering an updated public realm strategy for the area
- Installing an annual Christmas installation near Parliament Square on Storey's Gate
- Circulating thousands of local discount 'Privilege Cards'
- Commissioning a Vibrancy Report to help inform strategic decisions
- Local businesses have donated thousands of Christmas gifts to nominated charities

3.2 The added challenge of Covid-19 and recovery of the City have catalysed the need for areas within London to reassess its offer and future vision. The establishment of the Harley Street Area Partnership Ltd BID will unlock tangible enhancements for the area and the businesses within it.

3.3 The Harley Street Area Partnership Ltd BID would raise just over £5m over five years to invest across public realm and wayfinding, national and international marketing, business sustainability and connectivity and safety and business resilience.

3.4 The establishment of the Harley Street Area Partnership Ltd BID will bring about collective action and collaboration which will enable the district to continue to grow into a sustainable, attractive, secure and globally recognised destination, able to meet the changing needs of businesses across the whole community

4. Background, including Policy Context

4.1 The proposed new BID's first term would commence on 1 April 2022 and terminate on 31 March 2027. The City Council has a statutory duty to consider the proposal and hold a ballot on the Harley Street Area Partnership's behalf.

- 4.2 The ballot for the proposed Harley Street Area Partnership's Ltd BID is due to take place during November and December 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 April 2022.

5. Harley Street Area Partnership Ltd BID Proposal

- 5.1 The Harley Street Area Partnership Ltd is the BID Proposer for the Harley Street Area BID. The BID will be run and managed by an executive team appointed to do so, subject to a successful ballot. The Harley Street Area Partnership Ltd is a not-for-profit company limited by guarantee. During the development phase, the Partnership brought together a board that was established from key stakeholders who have all made a financial contribution to provide "seed" funding to develop the BID. The vision of the Harley Street Area BID is to see the area further realise its potential, with the objective to support the area to continue to grow into a sustainable, attractive, secure and globally recognised destination, able to meet the changing needs of businesses across the whole community .
- 5.2 The Harley Street Area Partnership Ltd formally submitted its BID proposal on 24 June 2021 (available as a background paper).
- 5.3 The BID Levy of 1% fixed for five years applies to premises with a rateable value equal to or greater than £150,000. The levy per hereditament will be capped at £25,000, This will ensure that no organisation will pay a disproportionate levy. The BID levy will apply to all ratepayers within the proposed BID footprint with a rateable value equal to or greater than £150,000. Properties that come on to the rating list during the BID term will be subject to the BID levy from that date. All hereditaments with charitable status and in receipt of mandatory charitable relief from business rates will receive an 80% discount on the BID levy. All schools other than Independent Schools registered as such with the Department for Education will be fully exempt from the BID levy. The owners of empty hereditaments will be liable for the BID levy with no void period allowed. There will be no VAT charged on the BID levy. The BID will generate approximately £5 million over the 5 year BID term.
- 5.4 The ballot period lasts for a minimum of 28 days and is due to start on the 5 November 2021 and finishes on 2 December 2021.
- 5.5 Priorities for the BID's initial term include:

Public Realm & Wayfinding

The Harley Street area is within walking distance of Bond Street, Baker Street and Great Portland Street and sees a high concentration of visitors owing to it's medical excellence, vibrant retail, hospitality and entertainment offering as well as it's unique character. As such, the BID will improve the wayfinding from nearby transportation hubs to ensure that the area remains distinct and easily accessible to its visitors. Additionally, the BID will develop a realistic public realm strategy that aligns with its budgets and timeframe. This will

include partnership working to improve sustainability such as business recycling opportunities and consolidated services. The BID will:

- Improve planting and community seating
- Improve utilisation of green space and/or
- Encourage additional green space
- Improve directional signage at underground stations
- Improve wayfinding of the area e.g. provision of directional maps
- Provide partnership working to improve business sustainability
- Provide click and collect schemes
- Facilitate air quality improvements e.g. vehicle and freight management congestion initiatives
- Provide Street cleaning teams

National and International Marketing

The Harley Street area's reputation for medical excellence automatically makes the area a global competitor in the medical sector. The BID will support innovation and technical advancement in the area with a robust national and international marketing strategy.

The BID will:

- Promote the area as a key medical tourism destination
- Promote quality of patient care
- Use the unique history of the area and technological advancement as a USP
- Develop a loyalty card scheme for the Harley Street area
- Engage with large London corporate organisations
- Use social media to play a key part in supporting local business promotion

Business Sustainability & Connectivity

One of the key objectives of the Harley Street Area Partnership Ltd is to develop and maintain business sustainability through a partnership approach. Businesses within the vicinity have expressed the value and benefit behind partnership working with neighbouring businesses. As such the BID is keen to facilitate and deliver events, seminars and a series of activity that will engage the business community and stimulate peer-to-peer support.

The BID will:

- Engage and assist with local business promotion
- Organise business networking events
- Engage with retailers for loyalty card offers
- Provide a business search map on the website
- Work with businesses to provide wellbeing opportunities for staff through a variety of interventions

Safety & Business Resilience

In order to achieve safety and security for the Harley Street area and the communities within it. It is therefore paramount that the area is well protected by working in partnership with the police and security services. Through working closely with key stakeholders such as the council, and other organisations, the BID will be in a stronger position to tackle key issues such as theft, rough-sleeping and homelessness and supporting the development of business resilience.

The BID will:

- Working with the homeless and outreach partners
- Work with key stakeholders including the Metropolitan Police
- Conduct business crime awareness training (in partnership with Met Police)
- Deliver Cycle safety schemes
- Deliver security/ambassador schemes

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 Harley Street Area Partnership Ltd, as the BID proposer must give at least 84 days’ notice to the City Council and the Secretary of State to request the Councils’ ballot holders’ to hold a BID ballot. The Harley Street Area Partnership Ltd gave such notice in April 2021 for a BID ballot to be held in November 2021.
- 7.3 As required by the 2004 and 2014 Regulations, the Harley Street Area Partnership Ltd 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 Harley Street Area Partnership Ltd 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 Harley Street Area Partnership Ltd, in writing explaining the nature of that conflict.
- 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.
- 7.9 Where the City Council is satisfied that the documents provided by Harley Street Area Partnership Ltd 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	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. 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.

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 The Harley Street Area Partnership's Ltd proposals for a new Harley Street Area Partnership Ltd 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 Harley Street Area Partnership Ltd 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 Harley Street Area Partnership Ltd.

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

8. Consultation

- 8.1 The Harley Street Area Partnership Ltd has carried out its own consultation with businesses in formulating the new Harley Street Area Partnership Ltd 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

Harley Street Area Partnership Ltd BID Business Plan 2022 – 2027 dated 24th 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

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(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

Harley Street Area Partnership Ltd BID Proposal 2022 - 2027

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 ‘National and International Marketing’ is a priority workstream for the new proposed BID.