



City of Westminster Cabinet Member Report

Decision Maker:	Cllr Geoff Barraclough, Cabinet Member for Planning and Economic Development
Date:	03 August 2022
Classification:	General Release
Title:	Baker Street Quarter Partnership BID Renewal & Alteration Proposal 2023 - 2028
Wards Affected:	Marylebone, Regent's Park & West End
Key Decision:	No
Financial Summary:	Subject to a successful BID ballot, the City Council will become subject to the BID levy. The total amount of levy payable for the City Council across the new five-year term would total £13,082. 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 2022, the City Council received a draft proposal from Baker Street Quarter Partnership Limited (BSQP) for the renewal and alteration of the BSQP Business Improvement District (BID). The proposed BID area for 2023 – 2028 includes an extension to the north of the existing BID footprint around Marylebone station and will border the Church Street and Lisson Grove area. This proposed alteration to the BID footprint would generate a number of benefits to the area and would strengthen the Marylebone identity for the BID and includes the incorporation of 10 additional streets to the existing BID footprint. This extension encompasses predominantly office occupiers along with three hotels, an education facility, and a small number of other ancillary uses. The estimated annual levy income from this extension is in excess of £100,000 with a potential for up to a further estimated £100,000 subject to completion of development sites. The full list of additional streets to be incorporated within the proposed BID footprint extension can be found on pages 22 – 24 of the BID proposal. The extension of the existing BID would enable more businesses to be supported and to benefit from BID services and investment, including the wider BID portfolio.

- 1.2 This report outlines BSQP’s vision and focus for the next five years for the BID area. The BID’s proposal has been submitted to the City Council with regard to holding a ballot in respect of a third term for the BSQP BID which spans the Marylebone, Regent’s Park and West End wards. The BID ballot is proposed to take place during the period across October and November 2022 with the result of the ballots to be announced on 24 November 2022.
- 1.3 The BSQP BID five-year renewal and alteration proposal reflects the priorities of the BID’s business community following extensive engagement and also ensures that its priorities align with the work undertaken by City Council to achieve the best outcomes for the local economy and community within the BID area.
- 1.4 The BSQP BID represents over 200 businesses and since their establishment have secured additional investment of over £21m into the area through the delivery of transformational public realm projects. Through match-funding, every £1 contributed by businesses has been doubled by the BID which has resulted in improvements to the day-to-day management and maintenance of the streets to include a stronger focus on security and resilience for the area.
- 1.5 BSQP BID’s vision for the next five years has been split into five key areas of focus:
- Progressive and High-Quality Environment
 - Clean, Safe and Resilient
 - Vibrancy and Experience
 - Connected and Caring
 - Promoted, Supported & Represented
- 1.6 This report describes BSQP’s renewal and alteration proposal in respect of the existing BSQP BID which has been developed closely with the City Council’s service portfolios.
- 1.7 The Cabinet Member for Economic Development & Planning is responsible for BIDs operating within the City Council’s jurisdiction and is asked to approve the recommendations in this report.

2. Recommendations

- 2.1 That the Cabinet Member endorses the BSQP BID renewal and alteration proposal.
- 2.2 To request the Chief Executive as the City Council’s Returning Officer and “ballot holder” to hold a ballot on behalf of BSQP in respect of their renewal and alteration 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 documentation which the City Council is required to enter into with BSQP to deliver relevant services in relation to the BID area throughout the BSQP BID’s renewal and alteration term and any other necessary legal matters as instructed and in consultation with the appropriate Council officers.

3. Reasons for Decision

3.1 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. BSQP have submitted their renewal and alteration proposal to the City Council for its consideration to enter into its third term. The City Council is statutorily bound to consider the proposal and, subject to its approval, to hold a ballot on behalf of BSQP.

3.2 BSQP has a strong collaborative relationship with the City Council and over the last five-year term, the BID has been able to accomplish the following notable achievements for the BID area and its members:

- Over £21 million of additional investment
- 60 formal representations (on policy and legislation)
- Baker Street Two Way Project delivered
- Wonderpass delivered
- George's Park delivered
- 22,000 m2 high quality new paving
- Annual Christmas Lights scheme
- Manchester Square new public space – designed and funded
- 50 new and improved crossings
- 2 new cycle lanes
- 140 new and improved street lights
- 6800m2 pavements cleaned
- 8500 issues resolved by street team
- 1,200 issues addressed via One Stop Shop Support line
- 100% members receive Incident Alerts
- 211,500 people assisted by street team
- 50 counter terrorism training sessions
- One Planet Living Sustainability Framework adopted
- £1,000,000 member savings through Smarter Recycling
- 12,000 tonnes waste diverted from landfill
- 40% CO2 emission reduction
- 28% increase in footfall (post Baker Street Two Way)
- £230,000 raised for local charities
- 420 businesses promoted

3.3 It is anticipated that BSQP will continue to play an active part in the joint working arrangements with the City Council and other key partners to enable the delivery of new schemes and initiatives of mutual concern.

4. Background, including Policy Context

4.1 Since 2013, BSQP BID has been delivering vital projects and services to enhance the area, some of which involve - improving air quality, reducing congestion, stronger focus on security and resilience, nurturing a sense of community and facilitation of local-giving.

4.2 BSQP BID was first voted in by businesses in 2013 as both businesses and landowners had aspirations to build on the area's strengths and establish it as first class for those working there, visiting and living in the area.

4.3 The ballot for the proposed BSQP BID renewal and alteration is due to take place across the period of October and November 2022. If the majority of

voters who vote in the ballot, both by aggregate rateable value and number voting, support the proposal, and the City Council does not exercise its right to veto the BID proposal, then the BID will formally start its third term on 1 April 2023 and terminate on 31 March 2028.

5. BSQP BID Renewal and Alteration Proposal

- 5.1 BSQP Ltd (company registration number 07532874) is a not-for-profit company limited by guarantee. It was formed to operate the BID and is the BID proposer putting forward the renewal and alteration proposal for 2023 - 2028. 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 composition of the BID board broadly reflects the makeup of businesses eligible to pay the BID levy with regard to business sector, size and location. Property owners and investors who contribute to the Partnership are also represented on the Board. Westminster City Council and the Metropolitan Police have seats as observers of the BID board. Voluntary membership is available for businesses below the BID levy threshold and those just outside the BID area.
- 5.2 The BID levy will be charged on all properties in the BID area which appear in the rating list with a rateable value (RV) of £175,000 or more and the BID levy payable for any business shall not exceed £35,800 per annum plus an increase for inflation of 3% applied annually on 1 April. The BID levy will be a daily charge, paid annually in advance and will be calculated based upon the current RV multiplied by the BID multiplier which is 1.18 (main multiplier). For the hospitality, retail and leisure sectors with specified valuation office analysis codes, a multiplier of 0.83% (lower multiplier) applies. Both multipliers are subject to an annual inflation increase of 0.03 annually on 1st April. The BID levy will be based upon the RV as at 1 November 2022.
- 5.3 Where the rateable value for a hereditament is changed by the Valuation Office Agency, the BID levy will not be recalculated for previous financial years unless it relates to:
- a new entry in a Rating List (whether as the result of a new Hereditament or the split or merger of previously existing hereditament(s)); or
 - a reduction in the Rateable Value to £0 or £1; or
 - a deletion of the hereditament from the Rating List, when the Council will calculate/recalculate the BID levy due pursuant to the effective date of such change.
- 5.4 Properties that come into the Rating List during the BID term will be subject to the BID levy from the effective date that the property is brought into the rating list and the rateable value effective at that time.
- 5.5 The BID levy will be a daily charge, paid annually in advance. Ratepayers in receipt of mandatory charitable relief from business rates shall receive a 95% discount on the BID Levy. A ratepayer will be liable to pay the BID levy on an unoccupied property without any void period allowance or any empty property allowance. There will be no VAT charged on the BID levy.

5.6 The board of the BSQP BID will be able to alter the BID arrangements, without an alteration ballot, so long as any alterations do not:

- Alter the geographical area of the BID
- Cause anyone to pay the BID levy who was not liable to pay it before or increase the amount of the BID levy for anyone.
- Conflict with the Local Government Act (2003) or The Business Improvement District Regulations (2004); and
- BSQP consults on such alteration with the City Council.

5.7 Priorities for the BID's next term are as follows:

5.7.1 **Progressive and High-Quality Environment**

The priorities for the BID's third term have been identified following extensive consultation and engagement with BSQP's BID current levy payers and or local businesses. These priorities have formed the basis of a new place-making strategy which will drive and inform the delivery of a number of projects for the local area. The BID's overarching objective under this priority is to create a compelling and inclusive place that supports wellbeing and has sustainability at its heart with informed place shaping projects.

Key themes to be addressed and achieved under this priority include the following:

Greening and Biodiversity, Gateways and Navigation, Accessibility, Equality, Diversity and Inclusion, Sustainable Transport, Culture and Identity, Safety and Security and Respite and Wellbeing

The BID has a strong focus on sustainability both for the area and the organisation. The BID has commissioned an environmental consultancy, charity "Bioregional" to align their programmes in accordance with the ten elements of the "One Planet Living Framework" which forms the basis of their sustainability agenda (see BID proposal for further details on this). Key commitments as part of the BID's Sustainability Action Plan include:

- To provide support and facilitation for members in achieving net carbon zero
- To collaborate with members and partners to facilitate the delivery of sustainable, healthy, high quality public spaces
- To nurture a connected and caring community
- To promote, enable and inspire a sustainable workplace, retail, leisure and hospitality experience for all

5.7.2 **Clean, Safe & Resilient**

The BID's "Clean, Safe & Resilient" priority seeks to achieve a safe area that is well-managed and resilient through dedicated street management, facilitated local networks and effective communications.

Under this priority there are two key objectives: ***Managing Streets, Supporting our Members*** and ***Increasing Security & Resilience***.

High standards of cleanliness and maintenance of the streets within the local area is a top priority for businesses, workers, visitors and residents within the area. The BID's dedicated Operations Management team have overseen the maintenance of the streets within the BID area and will continue to provide targeted support to make improvements to the area by working in partnership with the Portman Estate, the City Council, property managers, and the Metropolitan Police Service. The Street Team also deal with waste reporting, tackle rough-sleeping in collaboration with the outreach teams, respond to antisocial behaviour (ASB) matters and provide overall support in deterring crime and making the area a safer place to be.

BSQP BID have developed a robust programme to strengthen the resilience of the area to mitigate against the impacts of major events and threats. The BID are a founding member of the West End Security Group (WESG) and therefore have close working relationships with police, security and enforcement agencies. The BID's members have access to a range of resources and support including communication platforms to share advance intelligence and updates on events and incidences. The BID facilitate and advocate for additional emergency equipment and resources to support both incident response and recovery planning in the area. The BID's training programme includes an annual area-wide tabletop exercise and the latest counter terrorism training as well as essential courses held locally covering first aid, health and safety and fire marshal duties. For smaller businesses in particular, the BID will be promoting the use of the Business Resilience Toolkit developed with WESG and Westminster City Council – a useful framework comprising guidance, resources and a checklist to mitigate against business risks.

5.7.3 **Vibrancy & Experience**

The BID are keen to enhance the excitement and experience of the area as part of this priority. The BID will be developing a cultural strategy to showcase all that the area has to offer to retain its workers, visitors and residents and to ensure the area's future vitality.

BSQP BID will continue to deliver a diverse range of activities, events and festivals to draw people into the area. These events include "Summer in the Square" festival which attracts 10,000 people to the area, broadcasting the Wimbledon Tennis, wellbeing activities and food and market pop-up stalls. This events programme will be refreshed for the new term in 2023 and will be drawn down from the new Cultural Strategy that is developed.

5.7.4 **Connected and Caring**

The BID's vision for the area under this priority is to promote social value, environmental impact and wellbeing, while supporting the delivery of businesses sustainability and Environmental Social Governance (ESG) objectives.

In order to achieve this vision there are five key areas of focus as part of this priority – ***A strong connected community, Working together for the environment, Focusing on people, their health and happiness, Attracting***

and retaining talent, Support wellbeing and Working with the community.

One of the area's strengths, is the strong sense of community that has been created and fostered over the last nine years. The BID plays a key role in facilitating local connections and forums for the local community, this includes provision of information hubs that provides local workers and businesses within direct access to key offers, events and news that are specific to the local area.

The BID's focus on carbon reduction and climate emergency is spearheaded by their new Sustainability Steering Group bringing together the sustainability leads from organisations across the area. The BID will also make available to their members, access to the right support, resources and toolkits and proactively promote the City Council's "Business Energy Audit Scheme".

The BID recognises the ongoing recruitment and retention challenges faced by all business sectors, as such, supporting local employment and career opportunities remains a priority for further development. The BID will encourage further support and mentoring from members for local entrepreneurs and start-ups in addition to supporting schools with their industry and workplace programmes. The BID will explore the opportunities presented for partnership, mentoring and employment support in the proposed new hub at the University of Westminster.

The BID also run advice and training sessions on health and wellbeing for their members. In addition, the BID runs a "Smarter Giving" service which enables members and their employees to engage with the local community. The BID brokers connections between members and local charities and community groups within the Church Street area to enable them to make meaningful donations to deprived communities. The proposed expansion of the existing BID footprint brings the boundary closer to the Church Street area to enable facilitation of stronger engagement with the neighbourhood and its communities.

5.7.5 Promoted Supported and Represented

The BID's vision for this priority is to ensure the charms of Marylebone and its businesses are well known, appealing to local workers and drawing in visitors to sustain the vitality of the area. Providing tailored support and advocating for their businesses and for Marylebone.

There are two key focuses under this priority which are: **Marketing Marylebone** and **Support Businesses**. Promoting Marylebone and all the area has to offer is a particular focus for the BID over the next five years. In particular, there is a focus on supporting the retail, hospitality, leisure and office sectors following the impacts of the pandemic. The BID is keen to encourage both officer and visitor footfall back into the area and one of the key's to help achieve this is to proactively promote and market the area's diverse offering. A significant aspect of this will be centred on marketing collateral for the transport networks, production of publications and creation of a new consumer website.

The BID's membership base comprises a range of businesses in terms of size and sectors. For the BID's larger members, the focus is around facilitated collaboration and information sharing particularly on sustainability and security related matters. The BID's smaller members have access to a wide range of information, best practice, support and resources including the Business Resilience Toolkit. The BID will also help to address specific challenges their members are facing through proactively promoting and signposting to specialist and sector focussed programmes and schemes such as the "Westminster Hospitality & Leisure Recruitment Service" and the "Westminster Investment Service".

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 Subject to a successful BID ballot, the City Council will become subject to the BID levy on the Old Marylebone Town Hall hereditament. The total amount of levy payable for the City Council across the new five-year term would total £13,082.
- 6.4 The City Council will be responsible for collecting the BID levy through the existing business rates system into a ring-fenced BID account before passing it over to the BID.
- 6.5 Financial implications verified by Westminster City Council's Corporate Finance department.

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 BSQP Ltd, as the BID proposer must give at least 84 days' notice to the City Council and the Secretary of State to request the City Council's ballot holder' to hold the BID ballots. It is understood that BSQP Ltd gave such notice in June 2022 requesting for the BID ballot to be held in October and November 2022.
- 7.3 As required by the 2004 and 2014 Regulations, BSQP Ltd must also provide the Council with the following:

- 7.3.1 A copy of the BID proposal (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; and
 - 7.3.5 Information to satisfy the City Council that BSQP 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 proposal 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 BID's proposal, notify BSQP Ltd, in writing explaining the nature of that conflict.
- 7.5 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.
- 7.6 Where the City Council is satisfied that the documents provided by BSQP 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	<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>
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7.7 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:

7.7.1 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

7.7.2 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.

7.8 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:

7.8.1 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 Proposal;

7.8.2 The nature and extent of the conflict referred to in paragraph 7.7.1 above;

7.8.3 In relation to Section 5.2 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;

7.8.4 The extent to which the BID proposer discussed the BID Proposals with the authority before submitting the BID proposal to the authority; and

7.8.5 The cost incurred by any person up to the end of the 14-day period in developing the BID proposal and canvassing in relation to the BID proposal.

7.9 At the time of writing, it is understood that the City Council is of the opinion that:

7.9.1 BSQP Ltd proposals to renew and alter the BSQP BID, are in line with Council policies and priorities; and

7.9.2 The proposals are not a significantly disproportionate financial burden on any persons or class of persons.

7.10 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.

7.11 Two legal agreements between the City Council and BSQP Ltd will need to be drawn up to cover in respect of the City 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 the BID term which may be subject to periodic review and consultation with BSQP Ltd.

7.12 Legal implications verified by Bi-Borough Legal Services

8. Consultation

8.1 BSQP Ltd has carried out its own consultation with businesses in formulating the renewal and altering of the BID Proposal.

8.2 Ward Members have been consulted during the drafting of this report. All of which welcome and support the renewal and alteration of this BID.

BACKGROUND PAPERS

BSQP Business Plan 2023 – 2038, BID Renewal and Area Extension Proposal

APPENDICES

Appendix A – Other Implications

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 Planning and Economic Development**

Declaration of Interest

I have no interest to declare in respect of this report

Signed:  Date: 03 August 2022

NAME: **Councillor Geoff Barraclough**

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

BSQP BID Renewal & Alteration Proposal 2023 - 2028

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

Signed 

Cabinet Member for Planning and Economic Development

Date ...03 August 2022.....

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.