



City of Westminster Cabinet Member Report

Decision Maker:	Cllr Geoff Barraclough, Cabinet Member for Planning and Economic Development
Date:	02 May 2023
Classification:	General Release
Title:	West Fitzrovia BID Proposal 2023 - 2028
Wards Affected:	West End
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 February 2023, the City Council received a proposal from the Fitzrovia Partnership Business Improvement District (BID) Ltd for a new BID in the Fitzrovia area. The proposed BID boundary borders with the existing Fitzrovia Partnership BID in the borough of Camden which abuts Westminster's border, extending westwards from the borough boundary to the Harley Street BID and the New West End Company (NVEC) BID in the west and south respectively.
- 1.2 This report outlines the Fitzrovia Partnership BID's vision and focus over the next five years for the area. The new BID proposal has been submitted to the City Council with regard to holding a ballot in respect of the establishment of a new West Fitzrovia BID which covers the West End ward. The BID ballot is proposed to take place across June and July 2023 with the result of the ballot to be announced on 12 July 2023.
- 1.3 The West Fitzrovia BID five-year proposal reflects the priorities of the BID's business community following extensive engagement and also ensures that the BID's priorities align with the work undertaken by the City Council to achieve the best outcomes for the local economy and community within the BID area.
- 1.4 The Fitzrovia Partnership BID represents more than 250 businesses in the Camden portion of Fitzrovia. Since its establishment in 2012 the BID has generated over £10m in BID levy income for the BID and is now in its third

term. The Fitzrovia Partnership BID have an aspiration to establish a new West Fitzrovia BID which will be the sister BID for the Fitzrovia Partnership BID in Camden. The establishment of the new West Fitzrovia BID will unite the business communities on both sides of the border, achieve economies of scale and maximise access to enhanced services and benefits for businesses located within Westminster's jurisdiction of Fitzrovia.

- 1.5 This report describes the Fitzrovia Partnership BID's Ltd new BID proposal, in respect of the establishment of the West Fitzrovia BID which has been reviewed and shaped by the relevant council services.
- 1.6 The Cabinet Member for Planning and Economic Development is responsible for BIDs and so is asked to approve the recommendations in the report.

2. Recommendations

- 2.1 That the Cabinet Member endorses Fitzrovia Partnership BID Ltd.'s new West Fitzrovia 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 Fitzrovia BID Partnership Ltd in respect of the West Fitzrovia 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 Fitzrovia Partnership BID Ltd to deliver relevant services in relation to the West Fitzrovia BID area throughout the BID's first term and any other necessary legal matters as instructed and in consultation with the appropriate Council officers.

3. Reasons for Decision

- 3.1 The proposed West Fitzrovia BID will enable much needed investment to be plugged into the Westminster jurisdiction of Fitzrovia and will act as the sister BID for the existing Fitzrovia Partnership BID in Camden. This will achieve economies of scale, and amplification of service provision and opportunities for the Fitzrovia business community. It will also unify businesses from each side of the borough boundary and will fill the geographical gap where no BID currently exists to the north of Oxford Street.
- 3.2 With business costs on the rise now more than ever before, coupled with the existential challenge of Covid-19 recovery, the BID will act as a catalyst to promote public and private investment into meaningful projects in the BID area, enhance the public realm, fund additional much needed services and will act as a collective voice for businesses to influence government policies which impact businesses the most.
- 3.3 The BID area comprises a number of sector clusters including, hospitality, leisure, retail, offices along with statutory and community groups.

4. Background, including Policy Context

- 4.1 The City Council has a statutory duty to consider the proposal and hold a ballot on behalf of the Fitzrovia Partnership BID Ltd.
- 4.2 The ballot for the proposed West Fitzrovia BID is due to take across the period of June and July 2023. 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 first term on 1 August 2023 and terminate on 31 March 2028.

5. West Fitzrovia BID Proposal

- 5.1 The Fitzrovia Partnership BID Ltd (Company Number 08235892) is a not-for-profit company limited by guarantee. It was formed to operate the Fitzrovia Partnership BID in Camden and is the BID proposer putting forward the West Fitzrovia BID proposal for 2023 - 2028. Assuming a successful ballot, it is this legal entity that will continue to provide governance and run the activities of the BID supported by an experienced and effective team. The BID's Board is made up of representatives from businesses within the BID area to ensure balanced representation. The BID finances will be independently audited and reviewed each year.
- 5.2 The BID levy of 1% of the rateable value (RV) for all eligible hereditaments will be applied on all properties in the BID area which appear in the rating list with a RV of £160,000 or more. An inflationary increase of 3% will be applied annually on 1 April thereafter. The BID levy will be a daily charge, paid annually in advance and will be calculated based upon the RV as at 31 March 2023.
- 5.3 Where the rateable value for a hereditament is changed by the Valuation Office Agency (VOA), 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. A ratepayer will be liable to pay the BID levy on an unoccupied property without any void period allowance or any empty property allowance.
- 5.5 Ratepayers in receipt of mandatory charitable relief from business rates will receive 80% relief on the BID levy payable. 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 West Fitzrovia 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
 - The Fitzrovia Partnership BID Ltd consults on such alteration with the City Council.
- 5.7 The priorities for the BID's first term have been identified following extensive consultation and engagement with ratepayers within the proposed BID footprint and other local businesses. Priorities for the BID's first term are as follows:

5.7.1 **Voice & Representation**

The Fitzrovia Partnership BID serves as a collective voice for businesses in the Fitzrovia area. The BID's vision is to ensure that the voice of businesses is heard within local regional and national government. Through advocacy and a collective voice, the BID will bring about change and influence policy on matters that are of particular importance to its business members. Examples of such will include, but not limited to, business rates and taxation, infrastructure improvements, local planning policies, licensing regulations and more.

Through proactive engagement, the BID will invest into projects that has been shaped by both residents and businesses to enhance the Fitzrovia neighbourhood.

The BID will establish a positive working relationship with resident and other non-business communities to ensure that the BID's business-led priorities also reflect and respond to their issues and concerns.

Another key priority will be to engage with property owners and their occupiers, small and niche businesses to encourage an eclectic mix of uses and maintain the area's diverse and unique offering. Ensuring that the area remains economically sustainable for all size and sector businesses; social sustainability being at the heart of the area and its bohemian makeup.

5.7.2 **Environmental, Social and Governance (ESG)**

Sustainability is at the heart of the BID's vision and it will therefore work in partnership with the City Council and Camden to help achieve the City's net zero target and wider sustainability agenda.

ESG is of increasing interest to businesses, investors and key stakeholders. It is increasingly likely that ESG will become mandatory in order to stay ahead of regulations and to provide competitive advantage. Many businesses however, struggle to stay on top of the ESG agenda which will being to have

legal implications in time to come, resulting in reputational and viability issues for businesses.

The Fitzrovia Partnership will seek to assist members achieve these important targets through its collaborative work in the district and will promote the adoption of quality employment practices such as the London Living Wage to businesses and contribute to the City Council's Fairer Westminster Strategy. Through collaboration with members and partners, The BID will help West Fitzrovia build a more sustainable and resilient future.

The BID will develop a sustainability framework to establish a delivery programme to set the area on its path to net zero that will work with businesses and employees.

A dedicated programme will be developed to focus on the following key areas:

- Improving air quality
- Reducing carbon emissions
- Increasing recycling
- Reducing surface transport
- Reducing business costs
- Maintaining a vibrant community and enhancing outdoor spaces
- Security and safety
- Business Resilience

The BID will also provide an advisory service on compiling sustainability policies for member businesses including a focus on smaller businesses to support the start-up community and other new businesses based in the many shared office spaces in the area for which we will offer a bespoke membership package to support their growth.

5.7.3 **Environment and Place**

The BID will provide additional street management services in partnership with the City Council and explore innovative approaches to create a cleaner, safer, and more welcoming place. This will include enhanced security to tackle anti-social behaviour and street crime:

- Propose and promote the adoption and delivery of public realm and street management improvements, to include: al fresco dining
- Green Space
- Enhanced seating
- Additional bike parking

The BID will seek to enhance and encourage owners and developers to deliver more permanent greening, including more trees, to support biodiversity and climate adaptation, while creating a more attractive streetscape for all in Fitzrovia and will work with the Neighbourhood Forum to bring forward priority public realm projects including those that provide more cycle parking and electric vehicle charging points.

The BID will also employ a dedicated street team who will deliver services that encompass safety and security, provide customer and visitor support, address anti-social behaviour (ASB) and event management.

As part of creating a safer neighbourhood, the BID will create or seek to join a business crime reduction partnership to provide businesses access to free resources and training, crime intelligence, and support with the roll out of night-safety campaigns.

The BID will also invest in appropriate digital infrastructure improvements (Smart Cities) to support the growth of businesses in Fitzrovia and to retain and increase national competitiveness.

The BID's programme to support businesses in their journey to net zero will initially offer incentives and advice on sustainable travel reducing commercial vehicles in the area and reducing single-use plastics and food waste. This programme includes the promotion of green leases so tenants and property owners can work together to increase the energy efficiency of their buildings, free waste and recycling audits and working with local partners to deliver a West End wide approach to improving air quality.

The case for investment in Fitzrovia's public realm is strong and will directly contribute to attracting visitors, workers, and further inward investment, thereby creating a virtuous cycle of new businesses and jobs.

The BID will work with the statutory Fitzrovia West Neighbourhood Forum to bring about longer term and lasting improved public realm. Activities will include:

- Look to increase pop-up parks and tree planting throughout the district.
- Create a network of walkable streets with places to dwell and relax.
- Support the provision of more al fresco dining in suitable locations.
- Improve safety at junctions to reduce collisions and casualties.
- Improve connections and wayfinding from Oxford Street.
- Widen footways and create better facilities and routes for walking and cycling.
- Introduce more electric vehicle charging points.

5.7.4 **Reducing costs**

Through sustainable procurement and economies of scale, the BID will provide added value and tangible benefits to help meet members' economic, corporate, and social responsibility, and environmental ambitions. The Fitzrovia Partnership programme has already realised circa £6m in bottom line cost savings for business members since it started in Camden.

The BID will maintain its joint procurement and consolidation scheme to reduce member operation costs to include West Fitzrovia businesses:

- The BID will specifically provide a waste management and freight consolidation scheme to directly reduce costs to businesses choosing to

dispose of their waste in a more sustainable way for at least their first year of adopting new sustainable practices.

- Encourage a switch to renewable sources of energy through collective procurement.
- A discounted cargo bike scheme for businesses to help them move away from car or van delivery services.
- Actively promote business support provision provided by the City Council to help business grow, including the free Westminster Works employment scheme focused on recruitment in the hospitality sector.
- Provide free training and advice to businesses to improve their resilience and develop contingency plans so they are better prepared for emergency situations and be able to mitigate against risks by joining the West End Security Group.

5.7.5 **Insights**

To support the success of Fitzrovia businesses across the neighbourhood the BID is keen to evolve their approach to data-driven performance – capturing, publishing and utilising information to help inform members work and business decisions.

The BID will deliver insights to support members in West Fitzrovia, enhance customers experiences, attract visitors and investment, showcase the impact of the BID's work programmes, evidence advocacy and measure overall impact. The BID seeks to provide business members with tools, guidance and support they need to thrive.

The BID will include and make available to businesses in West Fitzrovia its current activities that include:

- Providing business intelligence and market data.
- Circulating weekly and monthly reports that contain insights into the performance of the area and central London.
- Establishing a structure for regular assessment of the priorities and needs of different business sectors, and especially the office sector, to ensure that activities are focused on sustainable working, increasing revenue, and reducing business costs.
- Collect data publish regular insight reports to inform commercial decision-making, covering areas such as public transport user numbers, office vacancy rates and other office market indicators, environmental factors such as air quality, consumer trends and spend data.
- Providing access to existing business support available through the local, London and National partners, as well as work in partnerships that can create additional local business support.

- Developing 'Smart Cities' thinking and developing which benefits apply to Fitzrovia, for example by linking into available data sets to monitor progress towards sustainability targets and equally sharing data with partners such as the City Council.

5.7.6 **Promotion and Communication**

The BID has a diverse communications and events programme that all business members can benefit from. As part of this key priority, the BID will:

- Provide access to local marketing promotional platform.
- Work with the City Council and partners on targeted, district-wide events to attract visitors and a strategy to promote the district, including participation in London-wide events such as the London Design Festival as well as the annual local Fitzrovia Arts Festival to help in raising the profile of Fitzrovia as a destination.
- Deliver exclusive member to member offers and consumer loyalty scheme and facilitate member collaborations, connecting the office community with retail and hospitality venues.
- Deliver a seasonal lights campaign to attract more visitors to the area.
- Provide weekly business and operational newsletters to ensure members are kept up-to-date with what is happening in the area.
- Ad hoc e-alerts with time critical information e.g. security updates.
- Deliver workshops, seminars, and face-to-face training with experts on key issues and topics, providing information, learning and development opportunities.
- Provide monthly email communications to the local community, visitors, website subscribers with local news, new openings, offers.
- Identify opportunities to encourage and foster new enterprises.
- Work in collaboration with the City Council and business to improve local employment and skills with a particular focus on the hospitality sector and work with their Investment Service and wider Business and Enterprise services.

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 Fitzrovia Partnership BID 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 Fitzrovia Partnership BID Ltd gave such notice in February 2023 for a BID ballot to be held in July 2023.

- 7.3 As required by the 2004 and 2014 Regulations, the Fitzrovia Partnership BID Ltd has 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; and
- 7.3.5 information to satisfy the City Council that the Fitzrovia Partnership BID 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 Fitzrovia Partnership BID 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 Fitzrovia Partnership BID 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.

7.7 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 proposals;
 - 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 5.1 – 5.7 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 proposals 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 proposals and canvassing in relation to the BID proposals.
- 7.9 At the time of writing, the City Council is of the opinion that:
- 7.9.1 The Fitzrovia Partnership BID Ltd proposals for a new West Fitzrovia 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 the Fitzrovia Partnership BID 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 Fitzrovia Partnership BID Ltd

Legal implications verified by Sharon Cudjoe, Senior Solicitor, Bi-Borough Legal Services (40007971)

8. Carbon Impact

- 8.1 The BID has set out within its BID proposal, its objective of monitoring and reducing its activities to help the City Council reach its ambition of becoming a net-zero carbon City by 2040.

9. Equalities Implications

- 9.1 There are no equalities implications.

10. Consultation

- 10.1 The Fitzrovia Partnership BID Ltd has carried out its own consultation with businesses in formulating the new West Fitzrovia BID Proposal.
- 10.2 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

West Fitzrovia BID Proposal 2023 – 2028

If you have any queries about this report, please contact:
Rachel Thevanesan, Business Support Programme Manager
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: 02 May 2023

NAME: **Councillor Geoff Barraclough**

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

West Fitzrovia BID Proposal 2023 - 2028

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

Signed 

Cabinet Member for Planning and Economic Development

Date ...02 May 2023.....

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 the City Council's overall priorities and in particular, the economic development and sustainability priorities. Significant additional investment in economic development, sustainability 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 proposal. Local 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 Council's local area.

3. Risk Management Implications

There are no implications

4. Health and Wellbeing Impact Assessment including Health and Safety Implications

The BID has placed health and wellbeing of their members and their employees at the forefront of their priorities ensuring that there are resources and support readily available to them.

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

The BID has a significant focus on sustainability and the climate emergency agenda. This has been reflected within their proposals.

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 'Communications and Promotions' is a key priority area for the BID.