

Committee(s): Policy and Resources Committee	Date(s): 19/09/2019
Subject: Cheapside Business Improvement District	Public
Report of: City Surveyor and Director, Built Environment	For Decision
Report author: Simon McGinn, City Surveyors Department	

Summary

In December 2018 your committee resolved to agree that the Cheapside Business Alliance (CBA) undertake a perception analysis of City businesses within its footprint to determine the appetite for a second BID term and if positive to prepare a BID Proposal for approval by the City Corporation. Responses to the perception analysis were positive and this report seeks your agreement to the BID Proposal to allow its formal launch that would allow the BID to ballot for a second BID term commencing in April 2020.

This report sets out the strategic themes and subsequent proposed project delivery of the BID, how these were arrived at through the perception analysis. The proposed BID levy multiplier has been set to establish a viable BID budget that would be able to deliver on the key themes set out in the BID Proposal. Initial consultation with businesses has not resulted in any adverse response to the proposed themes or the BID levy. The BID proposal is considered to align with the City Corporation Corporate Strategy 2018-2023.

The BID is being promoted by the City Corporation who will be the accountable BID body. The detailed implementation of the BID Proposals will be in conjunction with the existing BID Board made up of representatives of local stakeholders and represented at both Ward Member and officer level. The detailed operational delivery will be through an agreed Memorandum of Understanding signed by the City Corporation and the Cheapside Board, following the same arrangements put in place in 2015, covering the BIDs first term (Appendix 1).

Recommendations

Members are asked to:

- Approve the BID Proposal to allow the Cheapside BID to progress to ballot for a second term.
- In the event of a successful ballot, authorise the City Surveyor to renew the Memorandum of Understanding in respect of the agreed arrangements for governance and implementation in accordance with the Heads of Terms in this report.
- In the event of a successful ballot, delegate authority for the day-to-day management of the BID Body's functions to the City Surveyor. (subject to this being exercised in accordance with the approved Memorandum of Understanding and within the BID levy receipts credited to the BID account)

Main Report

Background

1. In December 2018 your committee resolved to agree to the Cheapside Business Alliance undertaking a perception analysis of businesses within the footprint of the BID area to determine the appetite for a second BID term and if there was a positive response from businesses to develop a Business Plan for approval by the City Corporation to allow the BID to progress to Ballot. The BID for the Cheapside area was established in 2015 as a means of promoting the area as a seven-day retail and leisure destination. The CBA were authorised to act as the City Corporation's delivery agents to implement the BID, overseen by a BID Board, made up of representatives from the BID levy paying community and the City Corporation.
2. The CBA has undertaken a perception analysis with the levy paying community to test their appetite for continuation of the BID and to identify the strategic priorities for the next five-year term. As part of the perception analysis views were sought on what has been delivered throughout the first term and what projects businesses would like to see continued and/or what they would like to see delivered as new areas of activity.
3. BID arrangements do not come into force unless the BID proposals are approved by a ballot of the non-domestic ratepayers in the BID area who are liable for the levy. The BID Proposal sets out business's priorities for improvements for the area and areas of services, as well as how the BID will be managed and operated. Under BID legislation all proposals must be approved by the local authority before moving towards a Ballot.
4. The BID proposed timetable for the Ballot will be 14 January 2020 for 4 weeks with the results announced 16 February 2020, with the BID going "live" on the 1 April 2020, subject to a yes vote. This ensures there is no break between the BID terms.

Current Position / Perception analysis

5. Following consultation through the perception analysis the CBA has developed a Business Proposal and is seeking approval from the City Corporation for the City to propose the BID to move towards a formal Ballot. The CBA perception analysis received responses from 45% of the business community, located within the BID footprint. The overall findings from the perception analysis identified that businesses wanted to see the continuation of the five strategic themes currently being delivered by the CBA, with 77% of respondents aware of the CBA and its activities. The issues which are most important to businesses were Security, Counter Terrorism and Cyber Security workshops, with 59% of respondents identifying this as a priority, with 46% wanting to see the profile of CBA raised as a destination. Greening and Air Quality remain a top priority for business with 44% of businesses wanting to do more to tackle poor air quality. Overall the ranking across each themed area received almost equal percentages with Marketing and Promotion marginally ranked as the top priority theme. 64% of respondents all see the importance of creating a plastic free city, with businesses wanting to see more greening schemes across Cheapside.

6. Under the theme of Employment, Enterprise and Training, businesses felt that upskilling and generating apprenticeship opportunities was more of a priority than delivering a local employment service. The focus for this area will be targeted at an employment scheme during the second term with greater emphasis on upskilling and providing apprenticeship opportunities across a range of occupational areas.
7. Networking events and the Ambassador programme are seen as important activities with 41% of businesses wanting more networking opportunities, with 50% of respondents selecting the Privilege Card Scheme as their top CBA intervention.
8. Going forward the top three projects businesses would like to see continued and enhanced are 70% wanting more events in Cheapside; 65% wanting to see more greening projects with 47% wanting to see the offers available on the Privilege Card further enhanced, reaching out with an even wider offer.
9. With Cheapside having become a well-established partnership across the businesses community 98% said they would support the renewal of the CBA for a second term.

Projects

10. Five project areas have been identified:

a. Environment

Businesses want to continue with the Environmental theme, having seen the successful roll out of projects from, greening Cheapside through to addressing issues surrounding air quality and traffic idling. Businesses want to work in partnership with the City Corporation to deliver projects that include piloting freight consolidation and tackling traffic idling, to help mitigate poor air quality. The CBA will seek to continue its engagement with the City Corporation in relation to its proposals for Bank Junction and will look at opportunities to enhance Cheapside further through discussions relating to animation and use of public spaces that will enhance the streetscape including further development of projects to provide green infrastructure in the area and supporting the integration of new strategies and developments such as the opportunities surrounding the BT HQ building located at the western end of Cheapside.

b. Business awareness and networking opportunities.

Providing a safe, resilient and welcoming environment is a major part of what CBA delivers in partnership with the City Corporation. Projects include hosting corporate networking events and symposiums, acting as the collective voice for business promoting economic growth and working together to maintain a competitive retail offer; monitoring activity in the area to include footfall and sales data; providing a focus for matters relating to enterprise in the area; and providing a focus for discussions with the City Corporation and City Police through running bespoke events to inform on issues such as cyber-crime and economic crime and counter terrorism. CBA will look at opportunities to explore the use of smarter technologies to help shape and inform intelligence gathering.

c. Marketing and promotion

Marketing and Promotion has been a fundamental theme within the CBA's mandate to deliver a vibrant and dynamic Cheapside. The success of the Privilege Card Scheme now boasts over 70 attractive local offers and promotions, with over 30,000 cards in circulation. This has been complemented by a strategy which has rolled out comprehensive programme around digital communications and through a range of events and activities designed to activate and animate the district to create a more appealing and accessible retail and leisure offer. Projects include continuing to deliver the successful Privilege Card scheme and App; To review and refresh the Cheapside website to ensure its easy to navigate through, whilst promoting the areas offer and the interventions being delivered by Cheapside; To continue to build on our social media platforms for member businesses and send regular newsletters to inform members of what is happening locally. Finally, the CBA will seek to deliver a programme of activity that supports annual events such as the Lord Mayor's Show through to more bespoke events and seasonal activities as defined by the levy paying community.

d. Tourism and culture.

Cheapside is enriched with a diverse offering of landmark buildings, historic lanes and boasts some of the world's most iconic sites. Cheapside aims to build on driving existing and new footfall to the area to increase dwell time, but also to promote the wider Square Mile offer. Projects include working with the City Corporation Cultural and Visitor Development Team and City Information Centre to promote the area and work collaboratively on city wide campaigns. To work with One City promoting Cheapside as a hub of cultural and leisure activity. Cheapside will continue to promote the retail and food beverage offer through a range of media and communication channels building the seven day offer and supporting the night time economy. Cheapside will continue to invest in an Ambassador Programme providing a "street concierge" service to both business and visitor communities, providing local information on what is available in the area, but to also acting as the eyes and ears of the City Corporation to report through environmental issues and general observations from within the footprint.

e Employment enterprise and training.

Throughout the CBA's first term, businesses agreed that investment into supporting employment and training opportunities was paramount to CBA's mandate for working together. Talent retention and growing talent is becoming more and more challenging and employers are committed to demonstrate the value of wanting to work within the City of London. Alongside this is a recognition that the City of London is juxtaposed some of the country's most deprived Boroughs, with long term unemployment experienced by some communities, both intergenerational but across a core group of young people. Throughout their first term CBA delivered over 250 jobs to residents living within the City fringe. Due to the success of the programme, CBA wish to continue to promote social and economic opportunities generated through employment and skills training. Projects will include working in partnership with the 'Heart of the City' programme to provide free support in developing CSR programmes, which will include the opportunity to develop a portfolio of opportunities around

volunteering. CBA will work in partnership with the City of London Apprenticeship Programme, fostering relationships between our business levy payers and the Apprenticeship Programme, promoting opportunities for young people and the opportunity to upskill within their existing workforce. CBA will continue with a dedicated employment service to place local people into jobs, with the opportunity to work with our corporate partners on key occupational areas.

11. The activities identified within each project area are considered to align and reinforce the City Corporation policies and complements the City Corporations Corporate Plan building on the three pillars of activity – Contributing to a flourishing society; supporting a thriving economy and to shape an outstanding environment. This will be delivered by working with a range of stakeholders and in partnership with the City Corporation. For further details or more information contained within the BID Proposals can be found on the following link: https://incheapside.com/wp-content/uploads/2019/08/CBA_Members-Draft-Business-Plan-2019.pdf

Budget and BID levy

12. Over the period of the five year period of the BID's term, the proposed levy would generate an estimated income of £2,250,000 with additional voluntary contributions (from property owners) generating an estimated additional income of £300,000. The total income derived would equate to £2,550,000. The revenue derived from the BID levy will pay for all the project areas identified above, with the voluntary contribution element being earmarked to pay partly for the BID management and overhead costs.
13. The BID Levy remains as the current rate multiplier set for year 5 of the BID's first term at 0.0028% together with a threshold of excluding properties falling below a rateable value of £180,000 and a capped contribution of businesses paying no more than £4,200.00. Businesses occupying multiple floors, individually rated, will be charged one levy payment, not exceeding the capped levy of £4,200.00 following the same BID levy rules as those set for term 1 . The rates have been set to ensure that the contributions are seen as being de minimis to the 337 businesses that would be affected.

Governance

14. Following the Renewal Ballot (if successful), the BID Body responsible for implementing the BID arrangements will be the City Corporation, and the BID Body functions be delegated to Policy and Resources Committee and day-to-day responsibility delegated to the City Surveyor. Implementation will be undertaken in conjunction with the existing CBA voluntary board made up from the local business community. The board will be supported by an executive team made up of an Executive Director, a BID Manager and an Administrator who will be procured by the City. The City Corporation as BID proposer and BID Body would renew the current Memorandum of Understanding they have in place with the CBA Board setting out the Board's role in operational delivery and consultation. The City Corporation will continue to have Member and Officer representation on the BID Board. The provisions of the MoU are set out in Appendix 1

Options

15. If Members were minded not to approve the BID Proposal in its current form and a further report was required, then it would impact on the BID timetable which seeks to launch in late October / November 2019 to go to Ballot in January 2020 and have a BID “go-live” date of 1 April 2020. The BID Proposals are in accordance with the City Corporation policies and will not impact on the delivery of existing services and so it is considered that the City Corporation should approve the BID Proposal to enable the commencement of formal consultation in advance of the BID Ballot.

Proposals

16. It is proposed that the City Corporation approve the BID Proposal so that the CBA can formally launch them on the City’s behalf with those businesses within the identified thresholds that fall within the approved BID area in advance of progressing to Ballot in January 2020. As proposer of the BID and proposed BID Body, the City Corporation will enter into a MoU with the CBA Board to set out agreed arrangements for implementation of day to day operations in accordance with the BID Proposal.

Corporate & Strategic Implications

17. The proposal to develop a BID for the Cheapside area aligns with 9 of the 12 Outcomes of the Corporate Plan 2018-2023

Financial Implications

18. All funding generated from the BID would be collected and administrated by the City Corporation. The staff cost associated to the levy collection and administration of invoicing and budget management will be paid for from the BID levy. These costs are under review and are estimated at £25k per annum. There would be a cost associated with running the ballot that is estimated at about £3,000 that will be covered by the Electoral Services Team as part of their budget.

Conclusion

19. The BID Proposal is in accordance with City Corporation policies and will complement the work of established service operations and partnerships. Approval of the Proposals will allow the CBA to launch the Proposals to the businesses to enable progression to ballot.

Appendices

Memorandum of Understanding Provisions

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APPENDIX 1

Memorandum of Understanding provisions

The main provisions set out in the Memorandum are:

- The businesses and other key stakeholders will elect a Board (“the Cheapside Board”) as a representative mix of the sector paying the BID Levy, by the “Go-Live” date. The Board will be an unincorporated organisation made up of 10-12 Directors to provide representation across all sectors in the Cheapside Area.
- The City and the Board will jointly enter into the Memorandum of Understanding
- The City Corporation is the BID Body responsible for implementation of the BID Arrangements and, in doing so, the City Corporation will co-operate fully with the Cheapside Board to secure the effective and efficient delivery of the BID Proposals within the appropriate levels of expenditure raised through the levy.
- The Board will provide guidance to the City in the implementation of the BID Proposals by acting as the voice of the businesses in the Cheapside Area and by contributing to the decision-making processes in connection with the implementation of the BID Arrangements.
- Representatives of the City will liaise fully with the Board, including meetings as necessary, and no less than quarterly, to consider the achievement of the objectives, to review the efficiency and effectiveness of arrangements and adjustments where considered appropriate.
- The City and the Board will jointly strive and collaborate to ensure the BID arrangements are implemented efficiently and effectively including through the appointment of consultants to carry out day to day activities.
- The City will ensure that all significant measures are discussed with the Board at a formative stage and that due consideration is given to the representations made by the Board
- The City Surveyor will allocate to the CPAT Manager day to day interaction with the appointed consultants and the Board, together with a Member representative from one of the Wards falling within the defined Cheapside Area.