



Report of the Policy and Resources Committee

Cheapside Business Improvement District

To be presented on Thursday 16th October 2014

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

Summary

At its meeting on 12th June 2014 the Court of Common Council approved the creation of a Business Improvement District (BID) for the Cheapside area, with the Cheapside Initiative (CI) acting as the delivery agent by managing the BID process and the key priorities associated with it.

Your Committee has now considered and approved the CI's formal proposals for progressing the BID to the consultation stage in advance of undertaking a BID Ballot in March 2015. It is proposed that the City Corporation act as the BID Proposer and as the BID Body for the initiative with the implementation of the proposals being dealt with in conjunction with a BID Board made up of representatives of local stakeholders. The detailed operational aspects will be the subject of a Memorandum of Understanding (MoU) between the City Corporation and the Board.

The BID proposal is considered to be in accordance with City Corporation policies and will complement the work of the service departments and established partnerships.

It is intended that, subject to the Court delegating the responsibilities of the BID Proposer and the BID Body to the Policy and Resources Committee, a further report will be considered by your Committee seeking approval to the detailed terms of the MoU.

Recommendations

1. That approval be given to the following:-

- i) the functions of the BID Proposer and BID Body be delegated to the Policy and Resources Committee;
- ii) subject to the approval of (i) above, that Committee be authorised to enter into an MoU with the BID Board as out in this report to manage the arrangements for the implementation of the day to day operations and to agree the final terms of the MoU; and
- iii) the day-to-day management of the BID Body's functions be delegated to the City Surveyor (subject to this being exercised in accordance with the approved MoU and within the BID levy receipts credited to the BID account).

Main Report

Background

1. In May / June 2014 the Policy and Resources Committee and Court of Common Council considered a report relating to the City Corporation promoting the setting up of a Business Improvement District (BID) for the Cheapside area as a means of promoting the area as a seven day retail and leisure destination and resolved to authorise the Cheapside Initiative to act as the City Corporation's delivery agents to promote the BID by developing the BID Proposal for further approval by the City Corporation.
2. As previously reported, the Cheapside Initiative (CI) has undertaken a perception analysis of those businesses within the approved footprint of the BID to ascertain their enthusiasm for promoting a BID for the area. As part of the perception analysis views were sought on a range of issues that has helped inform the development of the projects identified in the BID Proposal.
3. BID arrangements will not come into force unless the BID proposals are approved by a ballot of the non-domestic ratepayers in the BID area who will be liable for the levy. The BID Proposal (or Business Plan) sets out businesses 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 timetable previously agreed would see the Ballot taking place on 12 March 2015 with the BID "go live" date being 1 May 2015. Consultation on the approved BID Proposal is due to commence in November 2014.

Current Position

5. Following consultation the CI has developed the Business Proposal and is seeking formal approval from the City Corporation for the City to propose the BID, prior to undertaking the presentational design work and commencing formal consultation on the City's behalf.
6. The BID Proposal identifies the BID offer relating to identified projects with associated spend and sets out the BID budget together with details of the BID levy and governance.

Projects

7. Five project areas have been identified:

- **Employment enterprise and training** - the BID will be working in partnership with the 'Heart of the City' to provide free support in developing Corporate Social Responsibility programmes and a dedicated employment service to place local people in to jobs.
- **Environment, signage and way finding** – this includes looking at improving street signage and information given to businesses, developing projects to provide green infrastructure in the area, and seeking to contribute to the integration of new strategies and developments such as the Bank Area Strategy and Bloomberg development.
- **Tourism and culture** – for example, working with the City Corporation Cultural and Visitor Development Team and City Information Centre to promote the area and providing an on-street ambassadorial programme to welcome and orientate tourists.
- **Marketing and promotion** - continuing to deliver a successful Privilege Card scheme; developing a website and a social media platform for member businesses and sending regular newsletters to inform members of what is happening locally.
- **Business awareness and networking opportunities** - projects include hosting corporate networking events and retail symposiums; 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 by running bespoke events to inform stakeholders on issues such as cyber-crime and economic crime.

The activities identified within each project area are considered to align and reinforce the City Corporation policies and work with established service operations and partnerships. Full details of the projects will be available on request.

Budget

8. Over the period of the five year period of the BID the proposed levy would generate an income of £1,847,595 with additional voluntary contributions (from property owners) generating an estimated additional income of £480,000. The total income derived would equate to £2,327,595. The revenue derived from the BID levy will pay for all the project areas identified above, with the voluntary contribution element being partly earmarked to pay for the BID management and overhead costs.

BID Levy

9. The BID Levy remains as previously advised with a business rate multiplier set at 0.25% 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 £3,750. The rates have been set to ensure that the contributions are seen as being de minimus to the 220 businesses that would be affected.

Cost

10. The cost to the City Corporation is as previously advised. All costs relating to the Levy collection will be fully reimbursed. There would be a cost associated with running the ballot that is estimated at about £2,200 that will be picked up by the Electoral Services Team as part of their budget.

Governance

11. Following the Ballot (if successful), the BID Body responsible for implementing the BID arrangements will be the City Corporation, and it is proposed that responsibility for 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 a voluntary board to be made up from the local business community. The board will initially be supported by an executive team made up of a Chief Executive, an Operations Manager and an Administrator who will be contracted by the City. The City Corporation as BID proposer and BID Body would enter into a Memorandum of Understanding (MoU) with the Board setting out the Board's role in operational delivery and consultation. The City Corporation would have Member and Officer representation on the BID Board. The precise details of the MoU have yet to be determined and it is recommended that approval of the final details and settled form of the MoU be delegated to the Policy and Resources Committee in early 2015, prior to the Ballot.

Options

12. Previously it was agreed that the City Corporation would support the promotion of a BID in the Cheapside area on the understanding that the proposals would be in accordance with policy and would not relate to the delivery of services normally provided for by service departments. If Members were minded to not approve the BID proposal in their current form and a further report was required, then it would impact on the BID timetable which seeks to commence consultation in November 2014 to go to Ballot in March 2015 and have a BID "go-live" date of 1 May 2015. If minor modifications are required then it would be possible to deal with under delegated authority and will not impact on the timetable. 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 commencement of formal consultation in advance of the BID Ballot

Proposals

13. It is proposed that the City Corporation approve the BID Proposal and that the Cheapside Initiative commence formal consultation on the City's behalf with those businesses within the identified thresholds that fall within the previously approved BID area. As proposer of the BID and proposed BID Body, the City Corporation would enter into a MoU with the BID Board to set out agreed arrangements for implementation of day to day operations in accordance with the BID Proposal. Details of the MoU are yet to be finalised

and it is proposed that these be reported to the Policy and Resources Committee once finalised in February 2015.

Corporate & Strategic Implications

14. The BID Proposal accords with four of the five Key Themes contained in the City Together Strategy and the policies contained in the Core Strategy as amended in the Draft Local Plan together with the City Visitor Strategy.

Financial Implications

15. There are no additional financial implications to those previously identified, relating to the approval of the BID Proposals. A detailed report seeking approval of a MoU will set out detailed consideration of financial matters in terms of the arrangements for accounting and spending of the BID levy.

Conclusion

16. 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 CI to commence the process of consultation with the affected businesses to enable progression to ballot.

All of which we submit to the judgement of this Honourable Court.

DATED this 2nd day of October, 2014.

SIGNED on behalf of the Committee.

Mark Boleat
Chairman