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| Committee: Policy and Resources | Date: 28/05/2015 |
| Subject: Cheapside Business Improvement District | Public |
| Report of: The City Surveyor | For Decision |

Summary

Following approval in October 2014 for the City Corporation to Propose a Business Improvement District (BID) for Cheapside, a BID Ballot was held between 13 March and 10 April. This report informs Members of a successful outcome relating to the BID Ballot which returned an 84% yes vote by number and an 89% yes vote by rateable value. With the BID Proposal having been approved, the City Corporation as “Billing Authority” must put the proposals into effect by the imposition, collection and administration of the BID Levy through a BID Revenue Account. The BID “go-live” date is 11 May 2015.

As BID Proposer and BID Body responsible for providing the BID services contained in the BID Proposal, the City Corporation will need to take forward the arrangements. These were set out in the BID Proposals and detailed in a draft Memorandum of Understanding (“MoU”) that sets out the roles, responsibilities and governance arrangements.

The MoU provides for the Cheapside Initiative to cease, and for the businesses and other key stakeholders to elect a Board (“the Cheapside Board”) with which the City Corporation will work to deliver the BID Proposals.

In order to carry out the day to day activities required to deliver the BID Proposals it is proposed to appoint consultants, with their cost being taken from voluntary contributions received from property owners within the BID area who do not pay a rates levy. The procurement of the consultant will be subject to the Procurement Regulations 2014 and will be appointed by the Chamberlain under his delegated powers in consultation with the City Surveyor. The period to undertake the full procurement is likely to be in the region of 2/3 months and in the interim period, Primera Corporation, who previously administered the Cheapside Initiative, has been contracted to facilitate on-going engagement with businesses and managing already established initiatives such as the Cheapside Privilege Card. Primera will have no involvement in the tendering process relating to the procurement of consultants.

Recommendation(s)

Members are asked to:

- Note the contents of the report
- Approve the Memorandum of Understanding and authorise the City Surveyor to enter into the Memorandum of Understanding with the Cheapside Board and establish the relevant budgets in the 2015-16 accounts.

Main Report

Background

1. In October 2014 the Policy and Resources Committee and Court of Common Council approved the BID Proposal and authorised the City Corporation to act as BID Proposer, to allow progression to a formal BID Ballot in March / April 2015. Authority was also delegated by Common Council to the Policy and Resources Committee to approve the final form of the detailed Memorandum of Understanding concerning operational matters and the functions of the City as BID Proposer and BID Body. The City Surveyor was given delegated authority to exercise the day to day functions of the City Corporation as BID Proposer and BID Body.

Current Position

2. The BID Ballot was held between 13 March and 10 April 2015 and returned a clear majority in favour of the BID Proposals with an 84% yes vote by number and an 89% yes vote by rateable value. The turnout for the ballot was 39% which is slightly below the national average of 43%. The BID Ballots results demonstrates that there is a strong appetite from the business community to work in partnership with the City Corporation in delivering the BID Proposals
3. The BID Proposal provided for the BID arrangements (if approved) to take effect on 11 May and this is therefore the “go-live” date (to allow for 28 days to ratify the Ballot result.) The duration of the BID will be five years, after which another Ballot would have to be held and approved in order for the BID to continue for a further five years.
4. The Billing Authority has power, in prescribed circumstances, to veto establishment of a BID, but in this case none of the “prescribed circumstances” are considered to apply, and the BID Proposal was approved to go forward to the Ballot by the City Corporation in October 2014.

Therefore, following the BID being approved by the BID Ballot, the City Corporation as “Billing Authority” is required to put the proposals into effect by the imposition, collection and administration of the BID Levy and the establishment of a BID Revenue Account.

Memorandum of Understanding

5. A Memorandum of Understanding has been drafted in consultation with the Comptroller and City Solicitor and the Cheapside Initiative that sets out the roles responsibilities and governance arrangements. It formed part of the BID Proposals. The main provisions set out in the Memorandum are:
 - a. The Cheapside Initiative will cease and 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.
 - b. The City and the Board will jointly enter into the Memorandum of Understanding
 - c. 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.
 - d. 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.
 - e. 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.
 - f. 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.
 - g. 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
 - h. 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.

Procurement of Consultants

6. It is normal in BIDs across the UK have an executive team appointed to manage day to day delivery of the BID Proposals and it is proposed to appoint consultants to fulfil this function. The money to pay the administrative costs of the consultants is in the first instance drawn from the monies raised through voluntary contributions from property owners who do not pay the BID

Levy and where there are insufficient funds, then from the BID Levy itself. The consultants will be housed in the City Surveyors Department, within the CPAT Team, so occupational costs will be absorbed by the City Corporation. The annual cost for the consultants will be circa £100k and it is anticipated that there should be sufficient voluntary contributions to cover their costs. The voluntary contributions will be collected annually

7. It will be necessary to procure the consultants in accordance with the Procurement Regulations 2014. The consultant would be appointed to the end of the 5 year term of the BID. The timescale to go through the necessary procurement process is 2/3 months. The likely cost of the contract over the life of the BID is circa £500k and the Chamberlain in consultation with the City Surveyor will appoint the consultant under delegated powers, in accordance with the Procurement Regulations 2014, Para 10.4.
8. In the interim, it is proposed to appoint Primera Corporation who were the consultants for both the Cheapside Initiative and also managed the Ballot delivery on behalf of the City Corporation, to take forward the delivery of a short term program of works to maintain engagement with businesses and to continue delivering some of the initiatives carried out over the last few years such as the Cheapside Privilege Card. The interim arrangement would run until the procurement process is complete. The Comptroller and City Solicitor has advised that provided Primera are not in any way involved in the tender process and that the work undertaken during this period does not relate to the delivery of new projects outlined in the BID Proposal, then it would be acceptable for Primera to be appointed in this capacity. Procurement of services relating to the delivery of the BID Proposal will be in accordance with City Corporation established practice and will be managed in conjunction with the CPAT Team and City Procurement.

Corporate & Strategic Implications

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

Financial Implications

10. There are no additional financial implications to those previously identified (£2,200 to run the BID Ballot) relating to the approval of the Memorandum of Understanding and the procurement of the consultants. Procurement of services relating to the delivery of the BID Proposal will be within the budget derived from the BID Levy (and/or, in the case of the consultants, the additional voluntary contributions paid to the City Corporation) and in accordance with City Corporation established practice and will be managed in conjunction with the CPAT Team and, in respect of the "Billing Authority"

functions of raising and administering the BID Levy, by the Chamberlains office.

Conclusion

11. The BID Ballot results demonstrate that there is a strong appetite from the business community to work in partnership with the City Corporation in delivering the approved BID Proposals. The Memorandum of Understanding sets out the roles and responsibilities and the governance arrangements to provide an effective working relationship between the City Corporation and the Cheapside Board, established from businesses located within the BID Area. It will be necessary to undertake formal procurement of the consultants to form the executive to manage day to day activities. The cost of the executive will be drawn, in the first instance, from the monies raised through voluntary contributions from property owners who do not pay the BID Levy and where there are insufficient funds, then from the BID Levy itself.

Appendices

None

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