

<b>Committees</b>	<b>Dated:</b>
Policy and Resources Committee Property Investment Board	14/10/2021 26/11/2021
<b>Subject:</b> EC Partnership BID Proposal	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,3,4,5,9,10,11,12
Does this proposal require extra revenue and/or capital spending?	N
<b>Report of:</b> City Surveyor, Environment Director	<b>For Decision</b>
<b>Report author:</b> Simon McGinn, CPAT Manager	

### Summary

The purpose of this report is to seek your agreement for the submitted BID Proposal, enabling the City Corporation and the EC Partnership to formally launch the proposals in advance of a ballot in January 2022 to establish a BID in April 2022

This report sets out the strategic themes and subsequent proposed project delivery of the BID, how these were arrived at through the perception analysis and from further consultation with businesses to agree the levy multiplier and BID budget for the first term (5 years). The proposed levy multiplier has been set to provide a viable BID Budget that will be able to deliver on the key themes set out in the BID Proposal. The strategic themes align with the outcomes set out in City of London Corporate Plan 2018-2023

The BID is being promoted by the City Corporation who will be the accountable BID Proposer and BID Body. Following a request from both the EC Partnership and Fleet Street Quarter Partnership, a change to the previous management arrangements adopted by the City Corporation for the City BIDs is proposed to provide the Partnerships with greater day to day input in implementing the delivery of the Business Plan. The change would involve the City Corporation contracting the Partnership to deal with day to day implementation of the Business Plan in place of the existing Memorandum of Understanding arrangements where implementation is carried out directly by the City Corporation with the local business partnerships having a consultee role. The Partnership will be an established legal entity (separate to the City Corporation) capable of entering legal contracts on their own behalf. This will allow the Partnership, once appointed, to implement the Business Plan in accordance with the BID Proposals. The Partnership would budget for and undertake their own contracting of suppliers and staff resources and not via the City Corporation's procurement process.

## **Recommendation(s)**

### **Policy and Resources Committee is asked to:**

- Agree the BID Proposal to allow progression to formal Ballot
- In the event of a successful ballot, authorise the City Surveyor to appoint the EC Partnership to deal with day to day implementation of the BID Proposals on behalf of the City Corporation and delegate to the City Surveyor, in consultation with the City Solicitor, authority to agree the terms of the appointment in accordance with the principles 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 contracted arrangements and within the BID levy receipts credited to the BID account).

### **Property Investment Board is asked to:**

- Note the contents of the report

## **Main Report**

### **Background**

1. In September 2019 EC Business Partnership was established by local businesses and landowners. In December 2019 Policy and Resources Committee agreed a BID Strategy that supported the involvement of the City Corporation in the Partnership as a property owner in the area. In January 2020 Property Investment Board agreed to contribute £20,000 from the City Surveyor's local risk budget towards funding for the Partnership for its first two years pending a BID ballot, and also to nominate a Member to participate in the Partnership Board. . Property Investment Board would not provide any further funding or have any further participation in the Partnership following a successful BID Ballot, other than as described in this report. The boundary identified for the BID abuts the Cheapside Business Alliance boundary to the west and Aldgate Connect boundary to the east. The northern boundary runs along the southside of Liverpool Street across Bishopsgate and along Devonshire Square and the southern boundary runs along Eastcheap / Great Tower Street with the southernmost nib incorporating Monument junction (Appendix 1). EC Partnership consider the southern boundary leading to the River should not be incorporated as this could in the future be part of a 'City Thames' BID. The Boundary to the FSQ Partnership BID has been drawn similarly on the southern border, excluding properties leading to the River frontage - this ensures the whole of the River frontage could become a "City Thames" BID should there be business demand.

Appendix 2 provides a map of existing BIDs and Partnerships that demonstrates this point.

2. The EC Partnership has undertaken a perception analysis with the levy paying community to test their appetite for the establishment of a BID and to identify the strategic priorities for its first five-year term. As part of the perception analysis views were sought on what business would like to see delivered. In developing the Draft BID Proposals Members of those Wards in the footprint have been consulted and invited to comment. The Proposals have been met with a positive response.
3. BID arrangements are not to come into force unless the BID proposals are approved by a ballot of the non-domestic rate payers 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 18th January 2022 for 4 weeks with the results announced 16<sup>th</sup> February 2022, with the BID going "live" on the 1 April 2022, subject to a yes vote.
5. The BID delivery team has agreed the dates of the ballot with the Electoral Services Team, to be held in advance of the City elections and is also liaising closely with the Election Engagement Manager to ensure clear communications are provided to businesses that will also support promotion of the City elections.

### **Current Position**

6. Following consultation through the perception analysis the EC Partnership has developed a Business Plan and is seeking approval from the City Corporation for the City to propose the BID to move towards a formal Ballot. The EC Partnership perception analysis received responses from 43% of the business community, located within the BID footprint. The overall findings from the perception analysis identified that businesses wanted to see a BID for the EC area, delivered by the EC partnership, with an overwhelming majority (75%) of business in the area supporting a BID. Businesses felt the BID would add value and agreed, in principle to support the EC Partnership BID and its activities. Those businesses responding identified priority areas under the four strategic themes the BID will focus on:

An Evolving and Diverse District - 87% of respondents said they would want an enhanced cultural and leisure offering to aid in the desire to return the Eastern Cluster (both as a worker and a visitor) and to encourage workers to make more of their time whilst in the City at work. 76% of respondents also felt the promotion

of the ECP BID area as a vibrant leisure destination as well as a business district was important to them and their business.

A Sustainable District - The issues which are most important to businesses were Public Realm with 91% of respondents identifying this a priority, with 85%, wanting a focus on the Environment. 63% of respondents wanted more green spaces with a further 84% felt the area lacked outdoor/open spaces and seating. Wayfinding was also a key factor with 63% thinking the area needs improved signage/wayfinding.

Collective Action/Community Empowerment - Interventions supporting staff and physical and mental wellbeing were also essential for businesses with an overwhelming 82% of respondents feeling this was a priority for the BID to deliver on. A further 90% of respondents also felt connecting with other business (and/or employees) across the area was also important.

Promoting and Building the Global Powerhouse – Fuelling Economic Vibrancy - 73% of respondents also wanted to have the opportunity to comment on local plans for the area to help shape the future of the City. 64% wanting a strong digital presence, along with an area guide. 73% of respondents wanting an enhanced cultural and leisure offering to aid

## **Projects**

7. Within the full BID Proposal four strategic themes have been identified. These are intended to encapsulate all views gauged in the perception analysis from businesses and stakeholders from across the footprint. All projects provide a mechanism to develop additionality and a focus that would concentrate on promoting the EC area as a destination, reinforcing the areas' identity, supporting businesses ESG proposition, promoting growth and working with partners to deliver on their agendas.
8. Four project areas have been identified:
  - An evolving and diverse district
  - Creating a sustainable district
  - Collective action / community empowerment
  - Promoting and building a global powerhouse – fuelling wider economic vibrancy

### **An evolving and diverse district**

A world class programme of seasonal events, incorporating culture, music and the arts, seeking to attract new audiences and engage workers in the area; Projects would include: A programme of activity to promote the area and the eco-system of businesses across the hospitality and leisure sectors. Activity to include promotion of the 'My City App' and the City Gift Card; A Next Generation

programme, including the establishment of a NG Sounding Board, with the aim of hearing the views of the younger people within the footprint and developing bespoke activities and future look of the City; A programme of activities to support SMEs across the area, including local procurement initiatives and business support workshops; A team of on street ambassadors to provide the best possible welcome to the area – these on-street concierge will be on hand to help visitors and workers;

### **A Sustainable District**

Climate change and the ability to respond to the challenges it poses to our society is likely to be one of the defining issues of our generation. As part of its ESG pledge, the BID aims to make a positive contribution by seizing the opportunities to work in partnership, tackling climate change, increasing business resilience, and supporting the City's transition to net zero by 2040. The net zero agenda will provide many opportunities in high-value service sectors, with legal, financial and consulting expertise required when it comes to financing low carbon and net zero projects.

The BID will be well placed to develop world leading "green finance" capabilities, a growing arm of the UK's already dominant services sector. Projects would include: A Net Zero Working Group to be established with membership from across different sectors within the area. This group to then lead the thinking on what contribution the area can make to the Net Zero aspiration; An ambitious programme of work to flow from this working group which would include the BID pioneering pilot schemes to support businesses working together to reduce emissions (consolidation schemes etc); An initiative to encourage new green industries and entrepreneurs to locate in the EC footprint – supporting a green business in setting in a unit / workspace within the area.

### **Collective action / community empowerment**

The BID presents a significant opportunity to work together to build a community, as we work towards a new "normal", building on the social values rediscovered during the "great pause" of this pandemic. Strong collaboration and partnership working are key to achieving its goals to ensure that the EC area remains one of the UK's most dynamic business districts. Through the BID it will champion a cohesive plan of action, creating a vibrant and dynamic location once more; bolstering the retail, leisure and cultural opportunities and recognising the important eco-system that will deliver a 24/7 destination. It will work with the City Corporation to help implement its action plan The Square Mile – Future City, promoting the symbiotic relationship between culture and commerce.

Projects to be supported will include: support to the current SME's, the BID will look to promote their offer through its Loyalty App and host networking events. Regular updates and bulletins sent directly to businesses including relevant news, policy updates, transport status updates, and briefings on safety and security issues; the establishment of a Volunteer Network, providing workers across the area with the opportunity to 'give something back' and support local causes / charities; A partnership with local homeless charities, offering support to

rough sleepers looking to create a new life for themselves (possibly including work placements and funding outreach services);

### **Promoting and building global powerhouse – fuelling wider economic vibrancy**

The City's global attractiveness and competitiveness is more important than ever, not only in the wake of the COVID pandemic, but also taking account of other districts (and countries) raising their game to attract the best talent and investment. The BIDs approach will be collaborative and productive seeking to work with other UK and world-wide cities, clearly articulating the area's contribution to the global economy and promoting its wide appeal to future investors, workers and visitors. Its position as a global influencer can be bolstered through a targeted programme of activity driven by the BID in the coming years. This theme will look to focus on: A global city leaders programme of thought leadership events, including other major cities in the UK. An ideas exchange project with global cities to enhance learning from other cities around the world. To work with employers on how we attract and retain talent, working with businesses and promoting diversity and opportunity.

9. 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://ecpartnership.co.uk/bidproposal/>

### **Budget and BID levy**

10. When setting the business rate multiplier, consideration was given to ensuring value for money in order to deliver the projects outlined in the BID Proposals Over the period of the five-year period of the BID's term, the proposed levy will generate an estimated income of £21,470,000 from 268 businesses, with additional voluntary contributions (from property owners) generating an estimated additional income of £250,000. The EC Partnership BID proposes a 1% levy multiplier, fixed for 5 years, together with a threshold of excluding properties falling below a rateable value of £500,000 and a capped contribution of businesses paying no more than £40,000. Businesses occupying multiple floors, individually rated, will be charged the BID levy multiplier.
11. As an example this would mean a small business would be exempt; a businesses with a rateable value of £500,000 would pay £5,000 annually; a large business of with a rateable value of £3,000,000 would pay £30,000 annually; and a large businesses of a rateable value over £4,000,000 would pay no more than £40,000.

## **Governance**

12. The City Corporation will remain as the BID Body and BID Proposer, therefore ultimately formally retaining accountability for the BID. As the BID Proposer, the City Corporation is responsible for putting forward the BID Proposal for the BID ballot for the implementation of the BID Arrangements and for applying the BID Levy
13. An important consideration in developing any BID proposals for the City is their relationship with the City's business franchise. Both elements have been discussed with the Comptroller and City Solicitor and Remembrancer and the proposals set out in paragraph 15 have been developed to achieve maximum complementarity between the business representation provided by each.
14. Following a request from both the EC Partnership and Fleet Street Partnership, a change to the previous management arrangements adopted by the City Corporation for the City BIDs is proposed to provide the Partnerships with greater day to day input in implementing the delivery of the Business Plan. The change would involve the City Corporation appointing the Partnership to deal with day to day implementation of the Business Plan in place of the existing Memorandum of Understanding arrangements where implementation is carried out directly by the City Corporation with the local business partnerships having a consultee role. Subject to a successful ballot outcome, the City Corporation will contract with the EC Partnership (a not for profit company limited by guarantee) to act as the delivery agent to implement the five-year BID Proposal. It is proposed that the terms of the contract be delegated to the City Surveyor in consultation with the City Solicitor. The EC Partnership will manage the implementation of the BID Proposal, overseeing the executive team.
15. As noted in paragraph 1 above, the City Corporation's previous participation and funding would cease upon a successful BID ballot. Thereafter, it is proposed that Shравan Joshi, as a Member of the Bishopsgate Ward that falls within the BID footprint (and who has been the Member undertaking participation with the Partnership to date) would attend Partnership meetings as an observer together with the CPAT Manager (who will be delegated to deal with day to day matters by the City Surveyor) to provide officer support. In addition, quarterly meetings will be held with the City Corporation representatives, the executive team and BID Chair to support delivery of the BID Proposal. The BID will draw down the BID levy from the City Corporation on a monthly basis and will manage the delivery of projects in accordance with the BID Proposals. Once appointed to implement the BID Proposal, the Partnership would then budget for and undertake their own contracting of suppliers and staff resources. All income and expenditure will be subject to an annual audit and published for approval at the BID's AGM. The arrangements have been discussed with the City Solicitor and Remembrancer who have confirmed approval.

## **Proposals**

16. It is proposed that the City Corporation approve the BID Proposal so that the ECP 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 2022. As proposer of the BID and proposed BID Body, the City Corporation will enter into a legal agreement with the Board to set out agreed arrangements for governance and implementation of day to day operations in accordance with the BID Proposal

## **Options**

17. 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 2021 to go to Ballot in January 2022 and have a BID "go-live" date of 1 April 2022. 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.

## **Corporate & Strategic Implications**

18. Strategic implications

The proposal to develop a BID for the EC Partnership area aligns with 8 of the 12 Outcomes of the Corporate Plan 2018-2023. In addition, the proposed project areas identified in the BID Proposal will support delivery of key elements of the Climate Action Strategy, Transport Strategy, Culture Strategy and Draft Local Plan 2036. In addition, many of the projects will focus on supporting the business ecosystem, so whilst the levy payers will come from the larger businesses in the area, support will be provided to the SME community to foster future growth, innovation and retention

19. Financial and resource implications

All funding generated from the BID would be collected and administered by the City Corporation with the BID drawing down the BID levy from the City Corporation on a monthly basis. The staff cost associated to the levy collection will be paid for from the BID levy. There would be a cost associated with running the ballot that is estimated at about £2,000 that will be covered by the Electoral Services Team as part of their budget. The CPAT Manager will provide support in delivering the BID Proposals on an as needed basis which is part of the existing CPAT remit to support the needs of City businesses.



## 20. Legal implications

The terms of the appointment should provide for oversight to ensure the appointed EC Partnership facilitates compliance by the City with its BID Body responsibilities for implementation of the BID Arrangements and application of the BID Levy

The EC Partnership being an entity functioning as a private law operator and managing its own budget derived from the BID levy, would be seen as an independent body promoting the interests of its membership. Any procurement relating to the affairs of the EC Partnership would be effected entirely by the EC Partnership without involvement of the City. The delimitation of the respective roles would be maintained through the arm's length contractual arrangement at paragraph 15.

All other legal implications are in the body of the report

## 21. Equalities implications

Promoting and supporting diversity in the workplace is an important aspect of good people management – EC Partnership will strive to support businesses to ensure they promote a diverse workforce. EC Partnership will ensure their own management team meets these criteria through an inclusive environment where everyone feels able to participate and achieve their potential. While UK legislation – covering age, disability, race, religion, gender and sexual orientation among others – sets minimum standards, an effective diversity and inclusion strategy goes beyond legal compliance and seeks to add value to an organisation, contributing to employee well-being and engagement. The BID will develop a strategy to meet the UK legislation.

An effective strategy for the workplace can support an organisation's business objectives and EC Partnership will take the relevant steps to implement and manage a successful Diversity and Inclusion strategy.

## Conclusion

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

## Appendices

- Appendix 1 - Map of the EC BID boundary
- Appendix 2 – Map of all City BIDs and Partnership boundaries

**Report author**

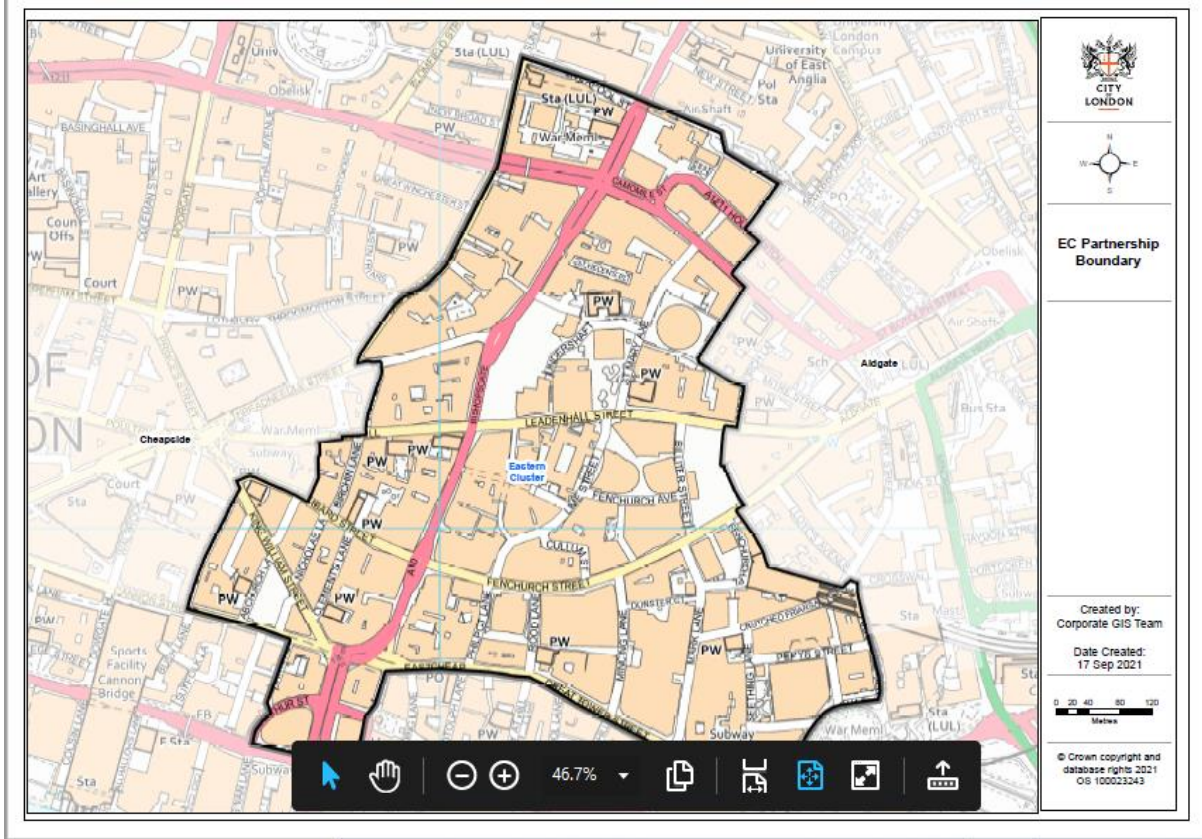
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# Appendix 1 Map of EC BID Boundary



Appendix 2  
Map of City of London BIDs and Partnerships boundaries

