

+Committees	Dated:
Policy and Resources Committee Property Investment Board	14/10/2021 26/11/2021
Subject: Fleet Street Quarter Business Improvement District	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?	No
Report of: City Surveyor, Environment Director	For Decision
Report author: 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 Fleet Street Quarter 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 Fleet Street Quarter (FSQ) Partnership and EC 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. 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 Partnerships, 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.

Recommendations

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 Fleet Street Quarter 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, FSQ 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 July 2019 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 partnership runs along Holborn / Holborn Viaduct to the north, Warwick Lane / Godliman Street to the east, Queen Victoria Street / Tudor Street to the south and Chancery Lane to the west (Appendix 1). FSQ considers that the area beyond 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 EC 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 FSQ 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 16th 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 / Perception Analysis

6. Following consultation through the perception analysis the FSQ 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 FSQ Partnership perception analysis received responses from 41% 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 FSQ area being delivered by FSQ Partnership, with an overwhelming majority (83%) of business in the area felt that a BID would add value and agreed, in principle to support the FSQ Partnership BID and its activities, delivered through four strategic themes:

Putting Fleet Street Back on the Map 81% of respondents also felt connecting with other business (and/or employees) across the area was also important. with 63% of respondents believed a vibrant destination is important for their business.

Fun & Inclusive 92% respondents wish to see more events that showcase the district. 83% respondents value a strong offering as playing into their experience of their return to the office. 81% of businesses wish to be more informed about their area and future developments taking place. 47% of respondents felt the BID should have a strong programme to support SME businesses within the area.

Clean and Green 92% of respondents would like to see more green spaces, with air quality in second and enhanced pedestrian and cycling infrastructure as third. 86% respondents wanted to see better gateway opportunities with 54% feeling that signage and wayfinding needed to be improved across the FSQ area.

Safe and Secure 58% of respondents said they would want the area to feel more safe and secure environment with rough sleeping/homelessness a key issue with the BID working with homelessness charities. 73% of respondents felt that staff well-being is a priority for the BID to deliver on.

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. All interventions delivered by the BID will demonstrate additionality and a focus on activities that concentrate on promoting the FSQ district as a destination, reinforcing the areas identity, supporting businesses to tackle climate change and sustainability. To promote growth and work with partners to deliver on their agendas.
8. Four project areas have been identified been identified:
 - Putting Fleet Street back on the map
 - Fun and Inclusive
 - Clean and Green
 - Safe and Secure

Putting Fleet Street back on the map

The BID presents a significant opportunity to work together, forging a new “normal” and building on the social customs we rediscovered during the “great pause” of this pandemic. Through collaboration and partnership working FSQ can champion a cohesive plan of action to create a vibrant and dynamic location, bolstering the retail, leisure and cultural opportunities this area presents, positioning FSQ as a place to work, visit and invest in. Part of the mandate will look to support the SME sector and its contribution to FSQ. The BID will include projects focused on hospitality, F&B and retail strategy to help define ground floor usage and help shape the future of Fleet Street; Commission a wide-ranging Public Realm Strategy to ensure the opportunities offered by the public spaces across the area are maximised; Pilot a new ‘Experiential Neighbourhood’, enhancing the experience of visiting the FSQ; Build a recognisable brand for the

area through the creation of a suite of marketing and promotional materials and delivery of a destination marketing campaign.

Fun and inclusive

Economic and social trends are changing demands on commercial centres and the Covid-19 pandemic has accelerated these trends. Working with business members and the City Corporation FSQ aim to deliver, align and complement the City Corporations five-year action plan - The Square Mile - Future City. FSQ aim to create an inclusive, innovative and sustainable business ecosystem: an attractive place to invest, work, live and visit. FSQ will deliver a range of projects that will include, launching a new Neighbourhood Programme, seeking to galvanise the existing new Fleet Street Quarter neighbourhood. Develop networking opportunities, from seminars and workshops to pub quizzes and mentoring projects.

The BID will develop a programme to include an annual Neighbourhood Festival, community awards and a community fund, with the BID allocating grants to local causes; Support the eco-system of businesses across the footprint, including hospitality, retail and leisure, through the use of digital channels such as the new My City App and One City, as well as the City Gift Card. Support the SME ecosystem through training opportunities, local procurement opportunities and local purchasing; consolidation activity and collective purchasing powers amongst the SME sector; investment opportunities and brokerage with a Dragons Den style event.

Clean and Green

Working in partnership with the City Corporation on delivery of the five year action plan; The Square Mile – future City to aid recovery and the Climate Action Strategy, to become net zero by 2040, the BID will encourage collaboration bringing to the business community together to tackle climate change and to promote better air quality through a range of interventions, such as renewable energy use, greening and business consolidation. All of which will enable FSQ to transition to net zero, working towards the City's timeline of Net Zero by 2040. As a BID FSQ will undertake a green infrastructure audit to baseline the current greening across the footprint, outline some of the spatial challenges the area presents and explore the opportunities to undertake further greening, through a range of interventions; Create an active travel hub within the Fleet Street Quarter footprint, encouraging greater use of cycles and walking routes; to develop a programme of work focused on building our sustainability credentials making the Fleet Street Quarter a more climate resilient location, benefiting businesses and positioning the area as a pioneer in future-proofing cities.

Safe and Secure

Under this theme FSQ will take a strategic approach which seeks to tackle security (and business) challenges and critical issues for businesses in the area, from the threat of terrorism and anti-social behaviour to clean streets, rough sleeping and low-level street crime. FSQ will endeavour to host a series of tabletop exercises for businesses with the City of London Police and other partners on Business Resilience and Counter Terrorism with a focus on supporting SMEs; Commission a lighting and way-finding strategy to reassure workers and visitors and encourage greater exploration of the area away from the major routes; Develop a series of workshops / support services aimed at supporting the growing night-time economy in the Fleet Street Quarter area – these will be targeted at both the businesses and the end users. Supporting the vulnerable in our community, tackling any issues of anti-social behaviour and development programmes and outreach initiatives to make a tangible difference to the lives of those who are struggling.

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:

[Bid Proposal - Fleet Street Quarter](#)

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. This was set by the Fleet Street Quarter Board as 1.0% together with a threshold of excluding properties below a rateable value of £180,000 and a capped contribution so that no business would pay more than £30,000. Businesses occupying multiple floors, individually rated, will be charged the BID levy payment and will not be discounted. This would generate an estimated annual income of £2.4m from the BID to support the proposed activities.
11. As an example, this would mean a small business would be exempt; a business with a rateable value of £180,000 would pay £1800 annually; a large business with a rateable value of £3m or greater will pay £30,000 per annum.
12. Over the five-year period of the BID the proposed generated income from the levy is estimated to be £12.7m from 294 businesses, with an additional expected income of £250,000 from additional voluntary contributions (property owners). All levy income would be collected and administered by the City Corporation

Governance

13. 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.
14. 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.
15. Following a request from both the Fleet Street Quarter Partnership and EC 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 each 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 FSQ Board (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 FSQ Partnership will manage the implementation of the BID Proposal, overseeing the executive team.
16. 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 a Member representative from one of the Wards in the footprint 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

17. It is proposed that the City Corporation approve the BID Proposal so that the FSQ 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

18. 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

19. Strategic Implications

The proposal to develop a BID for the FSQ 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 and retention.

20. Financial and Resource Implications

All funding generated from the BID would be collected and administrated 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.

21. Legal Implications

The terms of the appointment should provide for oversight to ensure the appointed FSQ Partnership facilitates compliance by the City with its BID Body

responsibilities for implementation of the BID Arrangements and application of the BID Levy

The FSQ 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 FSQ Partnership would be effected entirely by the FSQ Partnership without involvement of the City. The delimitation of the respective roles would be maintained through the arm's length contractual arrangement at paragraph 16

All other legal implications are in the body of the report

22. Equalities Implications

Promoting and supporting diversity in the workplace is an important aspect of good people management – FSQ will strive to support businesses to ensure they promote a diverse workforce. FSQ 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. As with the established Cheapside Business Alliance and Aldgate connect BIDs FSQ will develop a strategy to meet the UK legislation.

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

Conclusion

23. 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 FSQ Partnership to launch the Proposals to the affected businesses to enable progression to ballot

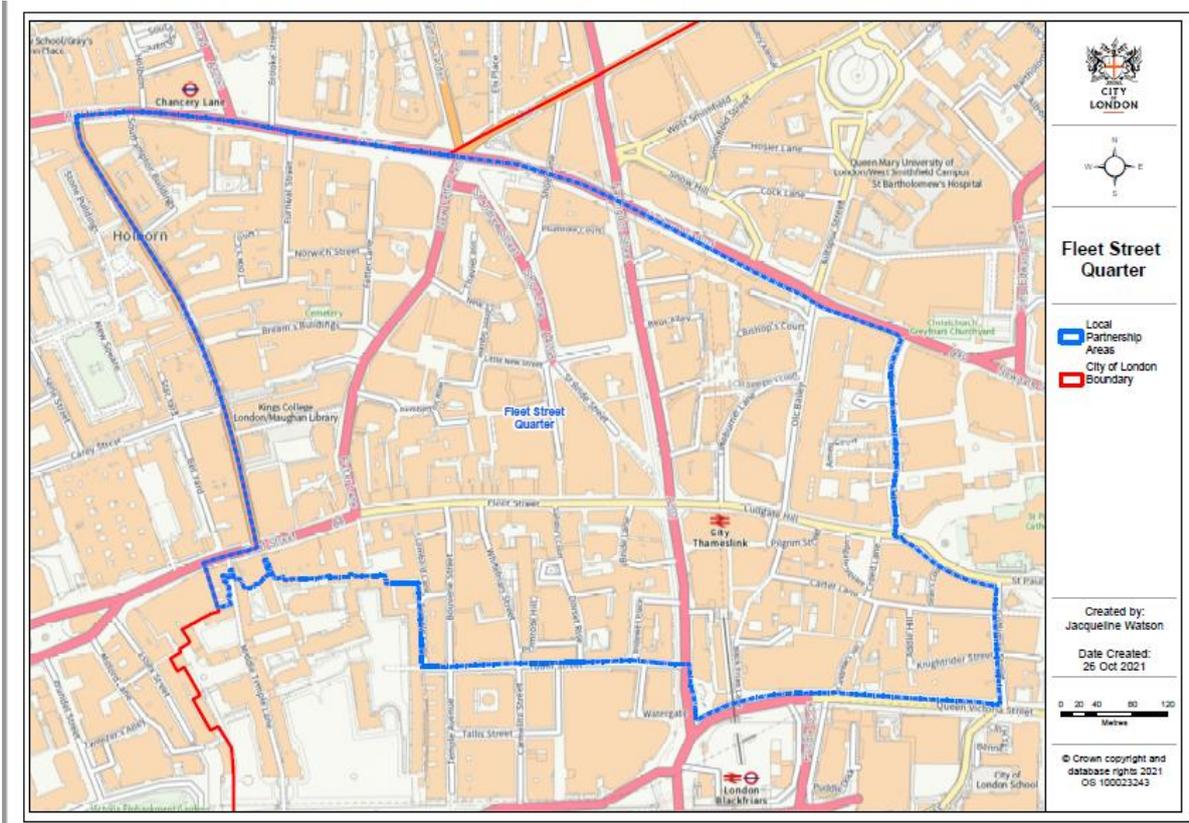
Appendices

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

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Appendix 1 Map of FSQ BID Boundary



Appendix 2 Map of City of London BIDs and Partnership boundaries

