

<b>Committee(s):</b> Policy and Resources – For information	<b>Dated:</b> 16/10/2025
<b>Subject:</b> Update on Business Improvement Districts (BIDs)	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	Vibrant, Thriving Destination Providing Excellent Services
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> Greg Moore, Deputy Town Clerk	<b>For Information</b>
<b>Report author:</b> Tim Hadingham, Head of City Business Improvement Districts, Town Clerk's Department  Jen Beckermann, Senior Responsible Officer for Destination City, Office of the Policy Chairman	

### Summary

This report provides an update on activities that have taken place since October 2024, when a report to the Policy and Resource Committee recommended that the Destination City team implement a series of proposals that focussed on:

- A shared understanding of roles, including developing baseline analyses of City services, strategies and projects for each BID area;
- Better coordination of goals, with an initial focus on business perception analyses and the recast Destination City programme;
- Good governance including reporting back against shared success criteria.
- Smarter use of resources, including regular officer working groups for better internal coordination and more support for Member Observers;
- Investing in Strong working relationships, supporting the Chairs and Boards.

The report also provides an overview of progress made with respect to the possible establishment of a sixth BID by the City River Partnership.

### Recommendations

Members are asked to note the progress made with implementing the proposals set out in the October 2024 report to the Policy and Resource Committee, and the progress being made with the possible establishment of a sixth BID by the City River Partnership.

## **Main Report**

### **Background and Context**

1. Business Improvement Districts (BIDs) are business-led partnerships that aim to promote and improve the local business environment in defined geographical areas. The projects and programmes run by BIDs are **additional** and complementary to those provided by a local authority, and do not replace or supplant them. As per the Business Improvement District (England) Regulations 2004, following a successful ballot, a BID is empowered to raise a business rates levy on businesses in their area which is used to fund their operations over the course of a five-year term.
2. The first BIDs in London were established in 2003, with the first in the City of London established in 2014. There are now five occupier BIDs in the City of London with a total combined levy income of approximately £50m over their 5-year terms:
  - Cheapside Business Alliance
  - Aldgate Connect
  - Culture Mile
  - Eastern City
  - Fleet Street Quarter
3. The process for the possible creation of a sixth BID – the City River BID– is underway and a successful ballot would mean that most of the Square Mile will be covered by BID footprints. The only areas not falling within a BID would be Temple as well as the Broadgate Estate and surrounding areas.

### **Update on support to the City's business improvement districts**

4. In October 2024, the Policy and Resources Committee endorsed a proposal to ensure greater coordination of the City Corporation's relationship with the City BIDs, including updating our governance arrangements and enhancing collaboration on delivery towards shared strategic outcomes.
5. The proposal considered by the Policy and Resource Committee highlighted five areas of focus in this regard:
  - A shared understanding of the respective roles of the BIDs and the City Corporation, including through developing baseline analyses of City services, strategies and projects for each BID area;
  - Better coordination of goals, with an initial focus on business perception analyses and the recast Destination City programme;
  - Good governance including reporting back against shared success criteria.
  - Smarter use of resource, including regular officer working groups for better internal coordination and more support for Member Observers;
  - Investing in strong working relationships, supporting the Chairs and Boards.

### ***Developing a shared understanding of roles and responsibilities.***

6. Working closely with colleagues in the Environment Department and taking advice from the Remembrancer Emeritus, the Destination City Hub has

drafted a four-page BID Explainer which clarifies the roles and responsibilities of BIDs within the City of London context. The document clarifies the implications of the provisions of the Business Improvement Districts (England) Regulations (2004) in relation to the City's role and functions with respect to the establishment and operation of BIDs. This document was discussed with the BID CEOs at the Strategic Partnerships Board and at a BID Chair's Breakfast to be held on 14 October. The BID Explainer document aims to provide an overview of BIDs and how they operate in the Square Mile.

### ***Improved co-ordination of goals***

7. The October 2024 Brown Review of the City of London Corporation and its BIDs recommended that the City Corporation appoint a senior lead officer to work closely with the BIDs, with a mandate to review the BID governance framework and provide a focus for City-BID interactions. The role seeks to build a collaborative working relationship, aimed at the achievement of shared goals and priorities, which from the City Corporation's perspective are identified in key policies such as the Destination City outcomes, the Corporate Plan and the CityPlan 2040.
8. Tim Hadingham started in the role of Head of City BIDs at the beginning August. This role sits within the Destination City Hub enabling a close alignment between the programmes run by the BIDs and Destination City strategic priorities.
9. Officers have been developing a renewed BID Governance Framework which will see the formalisation of a Baseline Agreement as part of standard BID governance. Included in the Baseline Agreement is a Schedule of Standard Services which will clarify the services that the City Corporation will provide in a BID's area thereby providing them with clear direction on what their additional service provision should look like.

### ***Improved governance***

10. Furthermore, the BID Governance Framework (**Appendix 1**) will provide the structure for the relationship between the City Corporation and its five BIDs. This framework is based on best practice governance guidelines promoted by the Greater London Authority, British BIDs and the Financial Reporting Council. The BID Governance Framework consists of four key documents – three of which describe the relationship between the City Corporation and the individual BIDs and one which is an internal governance document unique to each BID:
  - A **Memorandum of Understanding** governs the relationship between the City Corporation as BID Proposer and BID Body and the BID operating company which implements the programme contained in the BID proposal.
  - The **Operating Agreement** is signed between the City Corporation and the BID and clarifies roles and responsibility in relation to the City Corporation's function as a billing authority.
  - The **Baseline Agreement** specifies the policy positions that BID programmes need to align to as well as the standard services that the City Corporation will provide in the BID area. This agreement enables the BIDs to identify where they can add value to the City Corporation's work.

- As independent entities, each BID Board is established and governed via their **Articles of Association**; these Articles should include provision for the inclusion of Member and Officer observers from the City Corporation.
11. A conceptual overview of the BID Governance Framework was presented to BID CEOs at a recent Strategic Partnerships Board, and the Head of City BIDs has discussed its implementation with each of the BID Chairs. Both the CEOs and the Chairs have indicated their support for a refreshed BID Governance Framework.
  12. Draft Operating and Baseline Agreements are in progress, seeking input from service departments, the Remembrancer Emeritus and our Legal Services team; from there these agreements will be reviewed with each BID team. The aim is to have all Operating Agreement in place by the end of this calendar year, with individual Baseline Agreements in place for all BIDs by early summer 2026. Final implementation of the BID Governance Framework is resource intensive and will require time to get the different components in place. However, it is a necessary step that will provide clarity for the relationship between the City Corporation and the BIDs and will further enhance our collaborative partnerships.

#### ***Smarter use of resources***

13. The Baseline Agreements will contain a Schedule of Standard Services. This is a description of the services that the City Corporation already provides in the BID areas and will enable BIDs to align their activities with the City Corporation, optimise outcomes and demonstrate the additionality and value add that is their unique selling proposition within their hyperlocal areas.
14. Within the City Corporation, an officer group has been established that brings together key teams that collaborate frequently with BIDs in order to improve resource use through better coordination reduce silo working.
15. The City Corporation has been successfully collaborating with BIDs in various ways, including in formal mechanisms. For example, Charlotte Fletcher, the Chair of the Cheapside Business Alliance, represents the BIDs on the Destination Advisory Board that supports the implementation of the Destination City Strategy.
16. Collaboration with the BIDs is also taking place with respect to a jointly commissioned ground floor study. This study seeks to articulate a shared definition of “a vibrant and consistently lively ground floor experience”, which was a key focus area of the Martin Review. The study will assess the ground floor vacancy rate in the Square Mile and identify barriers to filling these units. The study will also provide a sense of future trends in the retail, hospitality and leisure sector. We have seen from other research that the Square Mile is considered to be amenity poor – the study will catalogue amenity provision across the City through an index, identifying areas for improvement.

17. Other collaboration taking place includes support for the delivery of capital projects such as the improvement of the lighting on the Holborn Viaduct. This project is being delivered by City Corporation's Transport team, supporting by the Fleet Street Quarter and will improve the visibility of this landmark, install new lighting and enhance safety and security in the area.

### ***Investment in strong relationships***

18. While a more formal governance framework provides a strong foundation between the City Corporation and the BIDs, the key to delivering on our shared objectives and for our business community relies on strong relationships. To this end, the Destination City and Environment teams have established several fora to enable interaction between the leadership of the City Corporation and BIDs.
19. The Strategic Partnerships Board is chaired by James Thomson, Deputy Chair of Policy and Resources, and is attended by the BID CEOs as well as the Senior Responsible Officer for Destination City, and the Executive Director of Environment and senior staff from the Environment, Chamberlain, and Destination City Hub teams.
20. The Strategic Partnership Board held its second meeting since our elections in March on 4 September and discussed the following:
  - The governance framework and its proposed implementation
  - Collaboration with business rates with respect to the collection of the BID levy
  - The challenges of navigating complex regulatory and compliance environments when running events and activations
21. While the Strategic Partnerships Board is more focussed on operational issues, the Policy Chairman hosts a quarterly engagement with the Chairs of the BID boards to discuss more strategic issues. The most recent of these engagements took place on 15 October.

### **Update on the City River Partnership**

22. In December 2017 the Policy and Resources Committee agreed a set of criteria to be considered when deciding whether to support the establishment of BIDs:
  - Identifying a demonstrable need for a BID as opposed to any other form of partnership initiative to provide support to business at a local level.
  - Strong private sector support for a BID and has the business partnership been established for up to 2 years prior to seeking to promote a BID.
  - The BID proposal is viable to achieve in terms of levy collection vs the aspirations of businesses in the area.
  - The response to the perception analysis undertaken to test the appetite for a BID achieved a return rate of at least 40%.
  - The City Corporation is the BID Proposer and BID Body.

23. The City River Partnership was established in early 2024 to provide support to landlords and occupiers in the part of the Square Mile that stretches along the Thames from Blackfriars Bridge in the West to the Tower of London in the East and with a Northern boundary running along Queen Victoria Street, Cannon Street, Eastcheap and Great Tower Street. The creation of a partnership to improve the local business environment was also intended to investigate the viability of holding a ballot on the establishment of a possible sixth Business Improvement District
24. Following consultation with businesses in the proposed area over the last 18 months, the City River Partnership board believes that a BID in the City River area is both viable and desirable and it is eager to progress the development of a formal BID. A draft perception analysis and draft business proposal have been presented to the City Corporation, with the aim of securing the City Corporation's support for the next steps in BID formation. Comments have been provided on these documents and officers are working alongside the Partnership and its Chair to refine the proposal in keeping with the criteria set out by Members at paragraph 23.
25. A Regulation 3(2) letter has been sent to the Secretary of State for Housing, Communities and Local Government indicating an intention to hold a ballot for a City River BID. This letter is a requirement of the Business Improvement Districts (England) Regulations 2004 and initiates an 84-day period at the end of which the BID proposer can submit a proposal to the billing authority for consideration for a ballot. Officers are working with the partnership on their proposal and will return to the Policy and Resource Committee in keeping with the BID regulations in due course.

### **Corporate & Strategic Implications**

**Strategic implications** - A successful BID relationship can contribute to the Corporate Plan goal of creating a Vibrant, Thriving Destination.

**Financial implications** – None arising directly from this report.

**Resource implications** – Commitment from officers across the Corporation to develop the support the implementation of the BID Governance Framework.

**Legal implications** – No legal implications.

**Risk implications** - Reputational damage due to governance failure.

**Equalities implications** - Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics

**Climate implications** - None

**Security implications** - None

**Appendices****Appendix 1 – Overview of BID Governance Framework****Tim Hadingham**

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## Appendix 1: Overview of the BID Governance Framework