

<b>Committee(s)</b> Policy and Resources Committee	<b>Dated:</b> 19 January 2017
<b>Subject:</b> Cheapside Business Alliance Update	<b>Public</b>
<b>Report of:</b> The City Surveyor	<b>For Information</b>
<b>Report author:</b> Simon McGinn, City Surveyors Department	

### Summary

1. This report provides an overview of activity and progress to date in relation to the Cheapside BID (Cheapside Business Alliance) constituted in March 2015 for a 5 year term.
2. The report summarises activities relating to the key themes set out in the approved Business Plan and demonstrates the strong progress that has been made to date against each theme and the approved budgets set out in the Plan. This includes the appointment of an Ambassador service to meet and greet visitors coming in to the Cheapside area, an employment service that has put 56 local people into jobs in within the Cheapside footprint, delivery of a new website and development of a Cheapside App to promote a range of discounts by local shops and catering outlets to workers in the area. The Cheapside Business Alliance has also been a key partner of the 2016 London Nocturne and the Great Fire 350.

### Recommendation

Members are asked to:

- Note the report

### Main Report

### Background

1. In 2014 your Committee resolved to support what was the Cheapside Initiative in working towards becoming a more formal business vehicle in the form of a Business Improvement District - branded the Cheapside Business Alliance (CBA). The agreement was that the City Corporation would be the BID proposer and therefore are the formal promoter for the BID.
2. A perception analysis was undertaken with businesses asking for their views on a number of theme areas relating to the Cheapside area, covering matters such as:

proposed boundary, appetite to be involved in a formal BID, employment and training, retail and cultural offer, business community engagement and marketing and promotion. Following the analysis a formal BID Proposal (Business Plan) was drawn up and approved by your committee and the Common Council in October 2014. In March 2015 there was a formal ballot of businesses with over 40% responding (considered to be a high response rate compared to what has been experienced with other BID areas) with 90% stating that they support or maybe support the concept of a BID and only 10% saying they did not.

3. The BID was formally constituted in May 2015 and has enabled an alliance to be formed, providing the opportunity for businesses to work in partnership with the City Corporation delivering a range of activities that would enable businesses to directly benefit from working together, alongside the City Corporation. The term of the BID is 5 years.
4. The CBA holds quarterly Board meetings and steering group meetings to determine priorities in accordance with the themes set out in the Business Plan. Alistair Moss represents the City Corporation at Board meetings in addition to The City Property Advisory Team Manager who is responsible for day to day supervision of a team procured to deliver the themes set out in the Business Plan.
5. As previously agreed, the focus of the BID would not revolve around delivery of improved services such as policing or maintaining the environment, as these are already well provided for by the City Corporation. The BID mechanism would allow CBA to develop activities around areas that would not normally be expected to be the focus for local authority activities.

### **Current Position**

6. The CBA complements the exemplary services delivered by the City Corporation; seeking to add value to local businesses. It provides an excellent demonstration of how partnership between the public and private sectors can deliver long-term, tangible and meaningful enhancements, working across five core areas of work:
  - Employment, enterprise and training;
  - Environmental enhancements;
  - Tourism and culture;
  - Marketing and promotion;
  - Business awareness and networking
7. There have been significant achievements over the last 18 months in relation to these areas of work.

### **Employment, enterprise and training**

8. Implementing programmes and initiatives to support the business community, and importantly looking at how businesses access training, employment and development programmes, is central to what CBA delivers across Cheapside. CBA has engaged an employment and training agency to deliver jobs and

apprenticeship opportunities and through this programme the CBA has placed 56 local people into employment; worked with 50 employers and is working with the developers of “The NED” on filling 700 job vacancies that will become available in advance of its opening in 2017.

9. CBA is also exploring opportunities to partner with the Livery companies within the footprint, with a view to sharing best practice and facilitating networking and business development across the area and has worked closely with Heart of the City to ensure businesses are provided with opportunities to develop and deliver their CSR agendas.

## **Environmental enhancements**

10. At a strategic level, the CBA has worked closely with the City of London Corporation on phasing and implementation of the Cheapside and Guildhall Area Enhancement Strategy and is represented on the All Change at Bank Steering Board to inform the Bank Junction change project. In addition to this work, CBA has established an Environmental and Sustainability steering group that has identified programmes which complement the wider sustainability agenda for the City of London and benefit business. The following priorities have been identified as the area of focus by the CBA under this strategic theme.
  - Air Quality
  - Joint procurement/consolidation of services
  - Waste collection
  - Green infrastructure
11. Earlier this year CBA were successful in applying for funding through the Mayor’s Air Quality Fund, leveraging in £33,000 to be spent over the next 2 years. With this the CBA is looking at a number of initiatives, including the installation of diffusers across 10 sites within the BID boundary, to measure air quality underpinned with a number of volunteers from local businesses working with us to address air quality issues. In March the partnership also participated in Global Action Day addressing traffic idling in the area.
12. The CBA Ambassador programme has resulted in over 100 graffiti incidents and 2 instances of illegal advertising being reported with over 117 environmental incidents being reported through to the City Corporation.
13. Over the next 12 months the partnership will focus on developing a programme together with the City Corporation to share best practice in consolidation and procurement of services to reduce the number of deliveries coming into the City and to enhance open spaces with green infrastructure working with the City Public Realm team.

## **Tourism and culture**

14. An important area of work under this theme has been the introduction of an Ambassador programme. The CBA has created a small team of street guides/ambassadors to enable business visitors and tourists to better navigate the area – making Cheapside a more welcoming place to visit. The ambassadors

are also additional 'eyes and ears' on the ground and have reported several environmental issues and collected important data to inform future work, interacting with over 35,000 visitors. The Ambassadors work closely with the City Visitor Centre to both signpost its existence and assisting in promotion of events where necessary. CBA ensures that the business community and its interests are represented at the City Visitors Attractions and Retail Group (VARG) which meets quarterly to coordinate events and mutually beneficial marketing schemes for all who live, work and visit.

## **Marketing and promotion**

15. The CBA is working alongside businesses and retailers to enhance the perception of Cheapside as a destination to both work and relax, aligning with the City of London's Visitor and Cultural Strategies.
16. The Cheapside Privilege Card was introduced by the Cheapside Initiative before the BID ballot and continues to grow with 11,000 cards distributed with over 80 offers from retail outlets and restaurants. This past year, the CBA team has worked to raise awareness of the Privilege Card has seen many new businesses coming on board with offers, and the profile of the loyalty scheme is continuing to increase, with the addition of the Privilege Card App, to enable people to download all current offers.
17. The CBA has created a new website with links to partner websites and a dedicated portal provided for Bow Lane Traders. The CBA also produces a monthly newsletter that goes to all businesses providing information on all key events and initiatives.
18. In relation to events CBA has sponsored London Nocturne on Cheapside for the first year with over 19,000 people coming into Cheapside to watch the event and with media coverage and TV coverage we had a reach of 32 million, which resulted in generating an estimated economic impact of £0.5m. The CBA is also an official partner for the Great Fire 350 celebrations contributing £50,000 towards the event. The CBA will continue to support the Nocturne in future years and will also seek to promote activity around events such as the World Athletics Marathon whose course comes through the Cheapside area on 6 August 2017.
19. The CBA has also funded 2 x 20m Christmas trees to include a switch on event undertaken by the Lady Mayoress.

## **Business awareness and networking**

20. The CBA has created networking events to bring the business community together, encouraging businesses to share best practice and foster business development opportunities including:
  - Hosted the launch of the Cheapside Business Alliance held at the Grange Hotel with over 100 CBA members attending covering a range of topics and themes
  - Held an AGM with drinks reception attended by 70 members

- Worked in partnership with the City of London Counter Terrorism advisory team and presented to over 70 CBA members
- Four open days organised by CBA in new corporate offices with over 100 businesses attending, providing the opportunity Network and to share best practice around specific themes
- One exclusive shopping event held for a CBA corporate client
- Engaged with over 150 stakeholders throughout the year
- Promotion and information sessions on the new Apprenticeship Levy and the opportunities amongst members to offer apprenticeships to those residents within the City of London and fringe boroughs

## **Budget Implications**

21. The budget for year 1 is set out in appendix 1, showing projected income and spend against each of the strategic themes. All BID budgets are profiled on the basis of a 95% levy collection rate. A surplus of £111k has been carried forward into year 2. Unlike public sector funding, BIDs throughout their term can carry forward surplus income. The rationale for this is to enable larger capital projects to be invested in, such as public realm schemes. Unlike other BIDs across London which collect between 95%-97% of the BID levy, the Cheapside Business Alliance has been successful in collecting 100% of levy income.
22. Levy collection is undertaken by the ratings team within the City Corporation and all associated costs incurred are met by the Cheapside Business Alliance and were factored into the budget throughout the BIDs term.

## **Conclusion**

23. CBA plays a unique role in contributing and shaping Cheapside as a business location and destination. The City Corporation has worked positively across a number of Departments with the CBA to support the delivery of their programme of activities. Much of the work undertaken by the CBA complements areas of activity within the City Corporation and it is anticipated that the coming years will deliver an ongoing and positive relationship with businesses in the area.

## **Appendices**

- Appendix 1 – Income and Expenditure Statements BID year 1

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## **Appendix 1**

### **Cheapside Business Alliance Income and Expenditure Statement** **for the period May 15 to 31 March 16 – BID YEAR 1**

	<b>Budget 2015/16 £</b>	<b>Actual 2015/16 £</b>	<b>Variance 2015/16 £</b>
<b>Expenditure</b>			
Project Management	103,000	102,280	(720)
Employment, Enterprise and Training	44,000	10,070	(33,930)
Environment, Signage & Way-finding	50,000	532	(49,468)
Tourism & Culture	85,000	59,645	(25,355)
Marketing & Promotion	48,000	43,209	(4,791)
Business Awareness/Networking	44,000	19,809	(24,191)
<b>Total Expenditure</b>	<u>374,000</u>	<u>235,545</u>	<u>(138,455)</u>
<b>Income</b>			
BID Funds	(314,000)	(331,152)	(17,152)
Privilege Card Sales (303 card sales)		(2,521)	(2,521)
Voluntary Contributions	(60,000)	(13,000)	47,000
<b>Total Income</b>	<u>(374,000)</u>	<u>(346,673)</u>	<u>27,327</u>
<b>Net (income)/expenditure</b>	<u>-</u>	<u>(111,128)</u>	<u>(111,128)</u>

#### **Notes:**

1. Net income for the year of £111k has been carried forward to 2016/17 as a receipt in advance (being third party monies earmarked for projects).
2. Project Management includes contributions to the Cross River partnership and the Baker St Quarter Partnership.
3. Voluntary contributions includes £3k from CPAT for COL business alliance development work.