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Details of Leadership Team meeting	Leadership Team Date of report: 25 June 2021 Date of decision: 7 July 2021	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
Forward Plan ref:	05945/21/K/A	
Report title	A NEW BUSINESS IMPROVEMENT DISTRICT FOR BROMPTON ROAD	
Reporting officer	Sue Harris, Executive Director of Environment and Communities	
Key decision	Yes	
Access to information classification	Public	
Wards	Brompton and Hans Town	

1. EXECUTIVE SUMMARY

- 1.1 The development of High Street BIDs is one of the four key strands of work in the Council's High Streets Programme. Developing new mechanisms to help empower businesses and residents to bring forward sustainable local management arrangements for our High Streets is an important part of post Covid recovery and building successful places.
- 1.2 The first of these BIDs, Brompton Road Partnership Business Improvement District (BID) will help businesses to engage with residents to create, together, improvements that benefit the whole local community. The BID will provide a voice for Knightsbridge businesses. It will encourage closer working between Kensington and Chelsea Council, Westminster City Council and Transport for London to identify, secure and deliver investment to enhance the district.

- 1.3 The Brompton Road Partnership BID proposal has been developed closely with Council service portfolios. It sets out the process described in the Business Improvement Districts (England) Regulations 2004 and The Business Improvement Districts (Property Owners) (England) Regulations (the 2004 and 2014 Regulations) and in accordance with Part 4 of the Local Government Act 2003 (“the Act”). The BID as the new BID’s proposer and the Councils of Kensington and Chelsea and Westminster City Council are required to follow the Act, 2004 and 2014 Regulations to hold a ballot in respect of the new proposed BID.
- 1.4 The Brompton Road Partnership BID will offer a powerful tool to enable local businesses to shape local activities, allowing the business community and the local authorities to work together to improve the local trading environment.

2. RECOMMENDATIONS

- 2.1 This report recommends the Leadership Team agree to the proposal from the Brompton Road Business Partnership Business Improvement District (BID) for a five-year BID term as a cross-border initiative with Westminster City Council and hold a ballot.
- 2.2. That the Leadership Team requests the Chief Executive as the Council’s Returning Officer as ballot holder to hold a ballot for the Brompton Road Partnership BID Proposal.
- 2.3 That Leadership Team delegates authority to the Executive Director for Environment and Communities to enter into the necessary legal agreements for collection of the BID Levy. In addition, to deal with related service specifications for all other connected services which the Council is required to deliver throughout the BID’s term and any other necessary legal matters in respect of the Brompton Road Partnership BID Proposal as instructed and in consultation with the appropriate officers.

3. REASONS FOR DECISION

- 3.1 The Brompton Road Partnership BID will provide an effective organisational model that brings together the business community, both occupiers and owners, together with the statutory authorities and wider community, to work together for the benefit of Knightsbridge and the Brompton Road.
- 3.2 The Brompton Road Partnership BID will be a company limited by guarantee and the legal entity that will run the activities of the business improvement district following its establishment.
- 3.3 It is anticipated that the Brompton Road Partnership BID will play an active part in the joint working arrangements the two Councils have set up for all BIDs, to liaise with Council members and officers, to enable new ideas, plans and initiatives of mutual concern to be discussed prior to public launch. Officers will also continue to encourage all BIDs to work collaboratively with each other on joint initiatives to avoid duplication of resources and contact with the Councils.

4. BACKGROUND

- 4.1 Business Improvement Districts (BID) are not-for-profit partnerships, in which the local businesses have voted to invest together to improve the environment of their local area. A BID is brought in through a democratic ballot process and the services provided are additional to those delivered by the statutory authorities.
- 4.2 BIDs are one opportunity but other models, which are more inclusive of residents and the wider local community are also being explored. In time, when legislation allows, this BID could evolve to offer one of the England's first Community Improvement Districts.
- 4.3 The BID programme is funded by the businesses themselves through a levy on non-domestic rates. BID schemes usually operate for a period of 5 years. For the BID to go ahead, two conditions must be met (the dual key majority): over 50% of businesses that vote must vote in favour and those businesses voting 'yes' must represent more than 50% of the total rateable value (RV) of all votes cast. If both these conditions are fulfilled, payment of the levy becomes mandatory for all eligible businesses, regardless of how they voted. The process is controlled by the Electoral Commission to ensure the result is democratic.
- 4.4 Following a meeting of landlords, occupiers, residents, and representatives of the local authorities at the end of 2019, Cadogan Estates commissioned a Feasibility Study to explore issues in the area such as a deteriorating public realm, increased levels of anti-social behaviour and street crime in more depth and examine the case for establishing a BID as a vehicle for change and improvement.
- 4.5 Westminster City Council (WCC), as partners for the Brompton Road Partnership BID, has supported the establishment of several BIDs across their local authority. WCC are working jointly with Kensington and Chelsea Council to develop the cross-border boundary Brompton Road BID. This BID is being proposed by the Brompton Road Partnership, led by Cadogan Estates. They have paid for the consultants to work on the initial Feasibility Study, the preparation of Vision Documents and Business Plans.
- 4.6 The BID will focus on five interconnected pillars of activity that together will be most effective in supporting and promoting the growth of our district's business while at the same time reflecting the additional interests of the wider community. These pillars are:

4.6.1 **Supporting COVID-19 Recovery**

- Provide leadership helping to create a clear strategy with partners for the safe and sustainable recovery of the Brompton Road economy
- Position itself at the forefront of the recovery plan for Brompton Road through innovative and creative thinking, initiatives, and activities
- Establish the clear and realistic vision of a district renowned for high-end luxury shopping but which also encourages the growth of a wide range of local amenities for people who live and work in the district
- Encourage businesses and authorities to adopt that vision as an incentive and a guide for future investment and decision making
- Encourage businesses and authorities to work together on the practical measures needed to create a district that will attract the investment, businesses and visitors envisaged in the vision
- Help maintain and develop a destination of excitement and memorable experiences for visitors, workers, and the local community
- Add significant additional value to the area's promotional and communication programme to ensure that recovery plans are well-resourced and sustainable over a five-year period

4.6.2 **Harnessing the Power of Partnership**

- Provide essential leadership and influence
- Build positive working relationships with a range of partners to drive the adoption and successful delivery of the Business Plan's projects and policies
- Establish the BID's role as a constant and dedicated driver of change for the whole district and a catalyst to help mobilise businesses and our key public sector delivery partners
- Provide a platform for businesses to work together with all elements of the local community to achieve an agreed vision for the district that benefits all stakeholders
- Work with residents and the wider community for the Business Plan proposals
- Establish a positive working relationship with resident and other non-business communities to ensure that the BID's business-led priorities also reflect and respond to their issues and concerns
- Provide a structure for regular engagement with residents to discuss proposals and resolve any issues that arise

4.6.3 **Leveraging the benefits of our International Centre designation**

- Take the lead in ensuring that Knightsbridge retains and enhances its position as an International Centre in the face of increasing global competition
- Work with the West End International Centre to establish the importance of the International Centres to the economies, job provision and global appeal of London and the UK more widely
- Identify and promote policies that protect, enhance, and benefit the International Centre and its businesses so that they can continue to hold their own against our competitor global districts

- Identify and promote areas where the International Centre designation requires approaches different from the rest of London
- Use media and social media to promote the corporate interests and positioning of the International Centre and establish the BID as a valued resource for journalist, government, trade bodies and other influencers
- Work with businesses and destination marketing bodies to maximise the impact of consumer marketing within existing budgets and programmes

4.6.4 **Driving transformational change**

- Support, maintain and enhance its position to build the image of a must visit destination and an international business address
- Enhance the reputation of Knightsbridge and Brompton Road
- Promote a cohesive identity to businesses, tourists and Londoners and create a powerful message that resonates as strongly with international audiences as it does with those from London and the rest of the UK

4.6.5 **Providing business support and insight**

- Propose and promote the adoption and delivery of specific highways and transport, public realm, and street management improvements to create and maintain a district which is more attractive for customers to visit, residents to live in, and employees to work in
- Define and promote priority transport projects that can be realistically delivered (over a range of timescales) and will have the most positive impact on the district and on business performance
- Define and promote public realm projects that can be delivered and will enhance both the district and business performance
- Provide additional street management services in partnership with our local authorities
- Explore options for appropriate digital infrastructure to support the growth of businesses in the International Centre and retain national and international competitiveness
- Employ an Ambassador service as a public face of the BID
- Be a catalyst and local focus for the district to ensure that it takes seriously its environmental responsibilities as Britain heads towards a zero-net carbon economy

4.7 It is proposed that the Notice of Ballot date for the Brompton Road Partnership BID is 12 August 2021 and the Issue of Ballot Papers date is 26 August 2021. To ensure neutrality, the BID ballot will be administered separately by Westminster City Council and Kensington and Chelsea Council's Returning Officers using an external firm to facilitate the election services for both local authorities. It will be arranged in line with the rules set out in the Act, 2004 and 2014 Regulations as approved by Parliament.

4.8 The ballot will need to satisfy two tests: A majority in number of those voting and a majority in proportion of rateable value of those voting. The BID levy can only come into effect if these two tests are met. The BID levy is then applicable to all eligible rate payers.

4.9 The delivery of the BID’s business plan will be led by a Chief Executive and their team, accountable to the Chair and Board. The role will work with the Board and sub-group members, partners, and specialist service providers to ensure the effective implementation of the agreed annual action plan.

4.10 The proposed Brompton Road Partnership BID ballot timeline is

Action	Date
CES to Receive Mailing List, Wording for all Documents	Thursday 1 July 2021
Despatch of Canvass	Thursday 15 July 2021
Close of Canvass	Thursday 29 July 2021
Statutory (Latest) Date: Notification of Ballot	Thursday 12 August 2021
<i>Statutory (Latest) Date: Despatch of Ballot Papers</i>	Thursday 26 August 2021
Latest Date to Appoint Proxy	Monday 13 September 2021
Latest Date to Cancel Proxy	Saturday 18 September 2021
Issue of Replacements	Friday 17 September 2021
Close of Ballot	Thursday 23 September 2021
Issue of Result by 5pm	Friday 24 September 2021

5. OPTIONS, ANALYSIS AND PROPOSALS

5.1 **Option 1:** Do not support a new Business Improvement District for Brompton Road for a five-year term as a cross-border initiative with Westminster City Council. (NOT RECOMMENDED)

5.2. If the Council decides not to support the Brompton Road BID proposal, there is a risk that the opportunity uniquely presented by a BID to work together and invest over £6million into recovery over the next five years, will be lost.

5.3 **Option 2:** Support a new Business Improvement District (BID) for Brompton Road for a five-year term as a cross-border initiative with Westminster City Council. (RECOMMENDED)

5.4 If the Council decides to support the Brompton Road BID proposal, businesses in the area will benefit from the opportunity to work together and invest over £6million into recovery over the next five years. This will enable the BID to respond to challenges, lead the way to securing future prosperity by delivering the changes that those businesses want to see, and secure a long-term future by creating and managing a district that appeals to visitors, investors, employees, and residents alike.

6. CONSULTATION AND COMMUNITY ENGAGEMENT

- 6.1 From the initial Feasibility Study, Brompton Road Partnership BID has engaged with resident, amenity, and community groups as well as local councillors and the major cultural institutions nearby. Representatives of the community and local authorities formed part of the group assembled to commission a detailed Strategic Vision study by Arup in 2020.
- 6.2 Councillors in Brompton and Hans Town Ward have been consulted during the drafting of this report, all of whom welcome and support the establishment of this new BID. They have reviewed the draft Brompton Road Partnership BID Business Plan.

7. LEGAL IMPLICATIONS

- 7.1 Business Improvement Districts (BIDs) are regulated by the Local Government Act 2003 (“the Act”), the 2004 and 2014 Regulations, which set out the process for a BID ballot to be held and BID formally established, renewed and or altered.
- 7.2 Brompton Road Partnership BID, as the BID proposer, must give at least 84 days’ notice to both Councils and the Secretary of State to request the Councils’ ballot holder to hold a BID ballot. On 19 April 2021, the Brompton Road Partnership BID gave such notice.
- 7.3 As required by the 2004 and 2014 Regulations, the Brompton Road Partnership BID has also provided the Council with the following:
 - 7.3.1 a copy of the BID proposals (the required contents of which differs depending on whether it is a new proposal, a renewal proposal, or an alteration proposal);
 - 7.3.2 a summary of the consultation the BID proposer has undertaken with those liable to pay the BID levy;
 - 7.3.3 a summary of the proposed business plan, to include estimates of cash flow, predicted revenue and expenditure, and the predicted budget over the duration of the BID arrangements and the contingency margin included in the budget;
 - 7.3.4 the financial management arrangements for the BID body and the arrangements for periodically providing information to the City Council on the finances of the BID body;
 - 7.3.5 and information to satisfy the Council that the Brompton Road Partnership BID has sufficient funds to meet the costs of the ballot should it be required to do so as permitted by the 2004 and 2014 Regulations.

- 7.4 The Councils must consider whether the BID proposal conflicts with any formally adopted and published policy by each Council (whether each Council is under a statutory duty to prepare such a document). If the Councils are of the view that they do conflict, then they must, as soon as reasonably practicable after receiving the proposal, notify the Brompton Road Partnership BID, in writing explaining the nature of that conflict.
- 7.5 Where the Councils are satisfied that the documents provided by the Brompton Road Partnership BID meet the requirements of the 2004 and 2014 Regulations and have sufficient funds to hold a BID ballot, the Councils must comply with the 2004 and 2014 Regulations to instruct the ballot holder to hold a BID ballot.
- 7.6 In 2013 the government introduced cross boundary Business Improvement Districts enabling BIDs to operate across local authority boundaries
- 7.7 Regulation 21 of the 2014 Regulations states that all expenditure properly incurred by the ballot holder in relation to the holding of a ballot under the 2014 regulations shall be paid by the relevant billing authority.
- 7.8 Under the Act, regulation 22 and Schedule 5 of the 2014 Regulations, two or more authorities may make BRS-BID arrangements ("joint BRS-BID arrangements") in respect of each authority with cross boundary interests.
- 7.9 Where local authorities make arrangements for a cross boundary BID and work in partnership, they must agree who will be the 'lead authority'. In the absence of agreement, the authority with the largest number of hereditaments in the proposed BID area will be deemed to be the lead authority.

7.10 The ballot holder for the Council is the Chief Executive in his capacity as the Returning Officer. The Council’s ballot holder must make arrangements for conducting the relevant BID ballot in accordance with Schedule 2 of the 2004 and 2014 Regulations, the proceedings for the ballot shall be conducted in accordance with the following (which may be subject to change in accordance with the Regulations):

Proceeding(s)	Time
Publication of Notice	At least 42 days before the day of the ballot
Day of the Ballot	<p>must be a working day and at least 28 days after the date on which the ballot papers were sent to voters (or where the ballot papers were sent on more than one date, the last such date and;</p> <p>No later than 90 days from the date on which the ballot holder published the notice</p>
Declaration of the results	<p>The ballot holder shall certify: the total number of votes casted excluding any ballot papers rejected the aggregate rateable value of each hereditament in respect of which a person voted in the ballot; the total number of votes cast in favour of the question asked in the ballot; and the aggregate rateable value of each hereditament in respect of which a person voting in the ballot has voted in favour of the question asked. The ballot holder, having made the certification above shall (a) forthwith make a declaration of the matters so certified and (b) as soon as reasonably practicable give public notice of the matters so certified.</p>

7.11 Regulations 12 and 14 of the 2004 and 2014 Regulations grant the Council a power to veto a BID proposal after it is approved by a ballot, which is exercisable only if it is likely to:

7.11.1 conflict to a material extent with any policy formally adopted by and contained in a document published by the Council (whether the Council is under a statutory duty to prepare such a document), or

7.11.2 be a significantly disproportionate financial burden on any person or class of persons (as compared to the other non-domestic ratepayers in the geographical area of the BID) and (i) that burden is caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and (ii) that burden is inequitable.

7.12 Where the Council wishes to exercise its power to veto, it must do so within 14 working days from the day of the ballot, and must have regard to all the following:

- 7.12.1 the level of support (as evidenced by the result of the BID ballot or re-ballot of a BID ballot, as the case may be) for the BID proposals;
 - 7.12.2 the nature and extent of the conflict referred to in paragraph 7.6.1 above;
 - 7.12.3 the structure of the proposed BID levy and how the financial burden of the BID is to be distributed amongst ratepayers in the geographical area of the BID;
 - 7.12.4 the extent to which the BID proposer discussed the BID proposals with the authority before submitting the BID proposals to the authority; and
 - 7.12.5 the cost incurred by any person up to the end of the 14-day period in developing the BID proposals and canvassing in relation to the BID proposals.
- 7.13 At the time of writing, the Council is of the opinion that:
- 7.13.1 Brompton Road Partnership's proposals for a Brompton Road BID are in line with Council policies and priorities; and
 - 7.13.2 the proposals are not a significantly disproportionate financial burden on any persons or class of persons.
- 7.14 As such, currently the Council has no intention to exercise their rights to veto but may review the situation in the event of any significant change in circumstances.
- 7.15 Legal agreements between the two Councils and the Brompton Road Partnership BID will need to be drawn up to cover in respect of the Councils' obligations for the BID Levy administration, collection and recovery, and the service specification for various services under a Baseline Service Level Agreement for services such as Cleansing and Highways that the Councils will continue to deliver throughout each BID term, which may be subject to periodic review and consultation with Brompton Road Partnership BID.

8. FINANCIAL, PROPERTY, IT AND ANY OTHER RESOURCES IMPLICATIONS

- 8.1 The Business Improvement Districts (England) Regulations 2004 require the Council to pay for the ballot, the cost of which is only recoverable in the event of a very low turnout of votes supporting the proposed BID. The cost of the ballot is estimated to be £3,825 and will be funded from £30,000 allocated in the High Streets Programme budget for work to support BID's.

- 8.2 The proposed BID has a cross-border boundary and as such RBKC will only be liable to meet the costs of the running the ballot for properties within the proposed BID area that fall within the borough. WCC will meet the costs of balloting properties within their boundary.
- 8.3 The costs of drawing up the legal agreement will be shared with RBKC's costs being met from the remaining High Streets Programme allocation. The two boroughs will also support the ongoing administration of the BID in this geographically demarcated way, including recovering the BID Levy from properties in each borough.
- 8.4 The administrative work involved in balloting properties in RBKC and setting up the BID can be undertaken by existing Council officers at no additional cost. Once the BID is in place there are no further financial implications anticipated as the BID Levy will cover any costs incurred in the delivery of the BID.
- 8.5 RBKC will be responsible for collecting the BID Levy through the existing business rates system into a ring-fenced BID fund before passing it over to the BID.
- 8.6 Additional funding is being sought from the Council's Covid Recovery Fund to employ a dedicated officer on a 2-year fixed term contract to develop further BID's. If the funding is secured and an officer appointed, then the work to support the BID for the first two years would be undertaken by this postholder overseen by the Head of Culture and Place. If funding is not secured this task will be undertaken by existing officers.
- 8.7 The Head of Property has been consulted on the report and concurs with the recommendation set out at section 5.3 in support of option 2

9. EQUALITIES IMPLICATIONS

- 9.1 The BID is a separate entity to the Council and provides services that are over and above those undertaken by the Council.
- 9.2 An equality analysis was undertaken to assess whether the BID is likely to have any adverse impact on residents and businesses groups that share a "protected characteristic". The analysis concluded that the proposed change is likely to help the Council in advancing equality of opportunity and fairness and that will maximise opportunity for all Kensington and Chelsea residents to benefit from economic growth in BID area.
- 9.3 The Stage 1 equality analysis recommends that the Council works with the BID Board to encourage that they continue to monitor and regularly review the impact of proposals to ensure the benefits are delivered to all residents and businesses. If appropriate, the BID Board will be encouraged to consider mitigating action to ensure that those equality groups that currently face economic inequality are provided targeted support.

Sue Harris
Executive Director of Environment and Communities

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

Business Improvement Districts - Information and guidance on Business Improvement Districts. <https://www.gov.uk/guidance/business-improvement-districts>

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Mandatory clearance requirements for all Key and Executive Decision reports

Cleared by Corporate Finance

Cleared by Director of Law

Cleared by Communications

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