

## **Business Improvement District**

# **Business Plan**

### **Foreword**

For some years, the look and the feel of the International Centre of Knightsbridge, centred on the Brompton Road, has been deteriorating. Despite islands of excellence in stores such as Harrods and Harvey Nichols, amongst others, the wider area is falling behind competitor districts in London and throughout the world.

The public realm is deteriorating. The Brompton Road traffic creates an unpleasant pedestrian environment and cuts the district in two. The levels of anti-social behaviour and street crime are increasing. The area is changing with a growth of uses that are felt incongruous for an International Centre.

The time has come for a strategic approach to be taken towards the management and planning of the area and to its retail landscape, one that involves a collective approach from all key stakeholders and complements the individual investments being made by property owners and retailers.

Sensing the need that “something must be done” Hugh Seaborn of Cadogan initiated a meeting of landlords, occupiers, residents and representatives of the local authorities in 2018. This led to the establishment of a stakeholder partnership and subsequently a feasibility study was commissioned in 2019, to explore the issues in more depth and examine the case for establishing a Business Improvement District as a vehicle for change and improvement.

The added challenge of COVID-19, which has disproportionately hit retail and hospitality businesses, particularly those that rely heavily on international visitor spending, has reinforced the need for action. The immediate priority is recovery, and the longer-term aim is to create sustainable viability and growth within the district.

This document is a proposal to businesses on Knightsbridge and the Brompton Road to work together to create a Business Improvement District and deliver, with partners, a plan to transform the district into one that reflects its International Centre status and is sympathetic to and respectful of, the surrounding residential area. The Business Improvement District will help businesses to overcome the damage caused by COVID-19 and secure a long-term future by creating and managing a district that appeals to visitors, investors, employees and residents alike.

It will provide a voice for Knightsbridge businesses to encourage closer working with our two local authorities and Transport for London to identify, secure and deliver investment to enhance our district. A BID will help businesses to engage with local residents to create together, improvements that benefit the whole local community.

This is the opportunity to work together and invest potentially over £6 million into recovery over the next five years, to respond to challenges, seize opportunities and lead the way to securing future vitality by delivering the changes that our businesses want to see.

**Vote ‘yes’ to the Brompton Road BID**

## **Strategic Context**

The Brompton Road forms the heart of a shopping district designated, along with the West End, as one of just two International Centres in the London Plan. Anchored by two world renowned stores – Harrods and Harvey Nichols – the Knightsbridge International Centre is a draw for millions of domestic and international visitors each year.

## **Commercial Success**

The commercial success of the district has positive knock-on effects for neighbouring shopping streets, offices, nearby museums and cultural centres and, of course, residents. But a district with elements of declining commercial activity, deteriorating public realm, and management problems that result in streets that feel unclean, unsafe and with increasing anti-social behaviour becomes a less attractive place in which to live, visit and work.

Beyond the major stores the area does not have the look and feel of a world class district. It is unlikely that visitors to the major stores will spend significant time in the surrounding areas. This is damaging to the long-term viability of the area and, if not addressed, the International Centre may find its attractiveness to visitors and investors falling behind its national and international competitors.

## **Evolving Consumer Trends**

Nationally and globally retailing is facing structural changes, with evolving consumer trends, the growth of internet shopping and the rise of new international shopping destinations, all of which impact on the performance of Knightsbridge and the Brompton Road as an International Centre. Consumers no longer see shopping as a monoculture activity. To compete with alternative locations and internet shopping, traditional retail districts have constantly to offer a wider and better experience to encourage consumers to visit, stay longer and return more often.

Globally, traditional competitor districts are investing heavily in public realm and infrastructure improvements. Paris, for example, is currently investing €500 million in enhancing the Champs Elysees. In addition, new competitors are now appearing, particularly in the Middle East and the Far East. The huge investment being made in shopping malls, such as Dubai, and the establishment of a presence by world leading museums, such as the Louvre and the Hermitage, to create a wider experience shows how some Middle Eastern countries are developing international retail as an alternative to their declining oil economies.

## **Customer Expectation**

More locally the opening of the Elizabeth Line stations in the West End in 2022, together with associated multi-million pound traffic reduction and public realm improvements schemes, will set a higher level of customer expectation to which the Brompton Road and Knightsbridge International Centre must respond if it is to continue to attract domestic and international visitors and investment.

With COVID-19 potentially changing the way people want to work, the office element of the area is clearly a key part of the district's transformation. An office sector that appeals to businesses attracted to an international Centre provides economic activity and vitality that complements and supports the visitor economy. If the district fails to support the aspirations and demands of its target office market it will lose out to competitor locations.

In short, at a time when Knightsbridge and the Brompton Road cannot afford to stand still, the current lack of a coordinated vision and plan for the district risks its continued deterioration to the detriment of its property owners, businesses and residents.

## COVID-19

COVID-19 has dramatically accelerated the need for retail districts to evolve. As digital retailing has grown, high streets need to change to continue to attract visitors.

For the International Centres the impact has been greater, with most international travel halted. High spending tourists from outside Europe are likely to be the last visitor segment to return. The long-term impact on behaviour change is yet to be seen. This is why it is vital that businesses, communities and local authorities work together to assess and respond to these structural changes and agree the best ways to ensure the future sustainability of their district.

A new BID will focus the voice and needs of local businesses to ensure that Knightsbridge and Brompton Road come out of COVID-19 different but stronger.

## International Centre

Knightsbridge is one of just two International centres formally designated by the Mayor in his London Plan.

The Kensington and Chelsea Local Plan and the Westminster City Plan geographically define the extent of the International Centre. This provides the opportunity to promote policies at national and local level which specifically apply to the International Centres.

But maximising the benefits to Knightsbridge of its International Centre status will require businesses and the community to work together to identify and promote key projects to the relevant authorities.

A new Business Improvement District will take the lead in ensuring that Knightsbridge and Brompton Road retains and enhances its position as an International Centre in the face of increasing global competition.

## Stakeholders

The Business Improvement District will be a voice for business interests in the district. But any vision for the district can only be achieved with the support of partners in the local community and local authorities.

From the initial Feasibility Study, the promoters of the BID have 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.

The new BID will 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.

## **Business Improvement Districts**

Business Improvement Districts 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.

There are over 300 BIDs in the UK, and growing, suggesting an increasing benefit to the local business communities where BIDs are operating. The total annual BID levy currently raised across the UK is c£110m which leverages towards £175m when including investment raised from local economic partnerships and commercial activity. The typical number of businesses within a BID is 200–400.

The overall success rate for BID ballots since their inception in 2005 is over 95%.

A BID seeks to provide greater strategic context for business to galvanize the business community, statutory authorities and wider stakeholders behind a common vision for the district and generate an enhanced income stream which benefits the whole area in terms of service provision. A BID provides the business community with a united voice and the ability to influence and shape the future.

### **Why do businesses support BIDs?**

- Return on investment
- A better operating environment for business
- More effectively managed and sustainable districts
- Promoting destination of choice for visitors, businesses and residents alike
- Effective engagement with the wider community

A successful BID has to have 'buy-in' from the majority of those businesses who will finance it – both for a successful vote and also to ensure the partnership evolves in a positive environment.

Governed by Government legislation and regulations, BIDs are statutorily established once voted for by the majority of businesses in an area and have a maximum term of five years before returning to their electorate for renewal. Once a majority vote has been achieved, a BID levy becomes mandatory on all defined ratepayers.

For a BID to be introduced, the ballot of business must meet two conditions; a majority in number of those voting and a majority in proportion of rateable value of those voting. The BID levy is then applicable to all eligible businesses.

The BID ballot is administered by the Council Returning Officer and their electoral services staff. It is arranged in line with rules set out in the BID regulations (2004) as approved by Parliament.

## The Process so far...

### 2019 - Feasibility study

Following a meeting of property owners, occupiers, residents and representatives of the local authorities, initiated by Cadogan a Feasibility Study was commissioned to examine the case for establishing a Business Improvement District as a vehicle for change and improvement.

The Feasibility Study actively sought the views of leading stakeholders in and around the district including landowners, retailers, hoteliers, resident and amenity groups, local authorities, community leaders and neighbouring institutions. Encouraged by stakeholder feedback, businesses were united in their desire for a strong strategic vision for the district based upon a mix of high-end luxury retail with complementary uses of appropriate quality and a revival of local shops and restaurants and amenities for residents and employees, together with enhanced public realm to create a more pleasant pedestrian experience.

The Study highlighted the need for a clear vision for the future of the district, which falls within two local authority areas and is divided by the Brompton Road. The Feasibility Study can be seen here ([link](#))

### 2019-2020 – Establishing the ambition

The feasibility study suggested that the establishment of a Business Improvement District for Knightsbridge and Brompton Road was both viable and feasible if approached in a considered and strategic manner.

An ambition for exploring a Business Improvement District was established, together with the formation of a Steering Group to lead the process forward. Engagement continued with key businesses and wider stakeholders to explore in more detail the opportunity of establishing a BID.

### 2020 – Strategic Vision

In 2020 the Brompton Road Partnership commissioned a study by Arup to develop the framework for a strategic vision for the area based on a wide range of robust evidence.

The strategic vision, together with feedback from business and the wider community will inform the work of the BID once established.

### 2020-21 - Brompton Road Partnership

In December 2020, responding to the postponement of the BID ballot due to the COVID-19 pandemic, a group of local businesses led by Cadogan formally established and funded the Brompton Road Partnership.



The Partnership was tasked with creating and maintaining momentum towards the establishment of a BID together with commencing a number of incubator projects for the BID to take forward and deliver once established.

# **Why Establish a Business Improvement District?**

- 1. £6m investment into the District**
- 2. COVID-19 recovery**
- 3. Collective business voice on issues that matter**
- 4. Transformational change**
- 5. Driving footfall and spend**

## Delivery Plan

The Brompton Road BID is the vehicle to focus our resources and efforts, first on recovery and then on long-term growth, as one of only two International Centres in London.

The Delivery Plan's overall objective is to help create, maintain and promote the district so that it attracts the particular groups of visitors identified in the vision, encourages them to stay longer, spend more money and return more often.

Working together with our partners and our local communities, we can ensure that Knightsbridge and the Brompton Road remains a vibrant, viable and sustainable area which works for businesses and residents and of which we can all be proud.

The BID for the West End International Centre has been in existence for more than 20 years and has played a key role in setting the standards for an International Centre. The Brompton Road BID will aim to match or exceed these standards.

## The BID Area

The formal boundaries of the BID are shown in red and grey on the map below. This includes the main commercial elements of the district. But the BID can engage with its neighbours to support and promote projects outside its area that will benefit the district.



## **The Five Pillars**

The BID will focus on five interconnected pillars of activity which 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 –

- 1. Supporting COVID-19 Recovery**
- 2. Harnessing the Power of Partnership**
- 3. Leveraging the benefits of our International Centre designation**
- 4. Driving transformational change**
- 5. Providing business support and insight**

Pillar One

### **Supporting COVID-19 recovery**

During 2020, the Brompton Road district has been seriously affected by the COVID-19 pandemic. With a vaccine in place, April 2021 onwards seems to provide light at the end of the tunnel, and we can begin to rebuild visitor confidence and navigate a recovery plan for Brompton Road.

The Brompton Road BID will play a vital role in ensuring the recovery and growth of Knightsbridge and the Brompton Road as we start to rebuild after COVID-19.

COVID-19 has dramatically accelerated the need for retail districts to evolve to meet changing customer demands and trends, for example on sustainability, digitalisation and experiential shopping.

For the International Centres the impact has been greater, with most international travel halted. High spending tourists from outside Europe are likely to be the last visitor segment to return.

The long-term impact on behaviour change is yet to be seen. This is why it is vital that businesses, communities and local authorities work together to assess and respond to these structural changes and agree the best ways to ensure the future sustainability of their district.

The BID's response will focus on two distinct but connected elements of local recovery. First, it will coordinate, with partner businesses, a district wide programme of activities to attract visitors back to the Brompton Road as pandemic restrictions lift. Secondly, it will work with residents, local community groups and our two councils to ensure that the economic recovery benefits the wider local community, in terms of employment and training opportunities and building back a better, more sustainable district for all.

## **The BID will:**

- 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 and complementary uses of appropriate quality 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.
- Work with business partners to explore a district wide digital strategy as part of the attraction to visitors, employers and residents.
- 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.

## **Pillar Two**

### **Harnessing the Power of Partnership**

As a body dedicated to constant improvement of the district, the BID will concentrate on bringing together our key businesses with the two local authorities, the Mayor and Transport for London.

Together we can agree, over time, to adopt and finance the capital projects that need to be undertaken to ensure that the district continues to operate as an International Centre.

But the power of partnership extends beyond business and government. The BID will actively engage with other elements of the Knightsbridge and Brompton Road community so that projects are selected and designed with clear understanding and input from residents and other institutions and organisations. Experience with other BIDs has shown that a positive working relationship with local residents is essential for the smooth delivery of the objectives within the Business Plan.

From the initial Feasibility Study, the promoters of the BID have engaged with resident, amenity and community groups as well as local councillors and the major cultural institutions nearby.

Everyone who invests, works and lives in our district has a clear interest in its future. By working together, we can deliver the improvements that are needed to ensure that that future is bright for us all.

The Business Improvement District will be a voice for business interests in the district. But any vision for the district can only be achieved with the support of partners in the local community and local authorities.

And the BID can be a powerful partner to help achieve the ambitions of others in the community, for example through contributing to local sustainability goals, recruitment and training for local people and ensuring that the wider community benefits from the benefits that flow from a successful International Centre.

### **The BID will**

- Provide essential leadership and influence. By providing local leadership and a powerful collective voice for our members, we will inform policy and effect change on the issues that matter most to our members and the area.
- 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, principally:
  - Royal Borough of Kensington and Chelsea
  - Westminster City Council
  - The Mayor and his key agencies, particularly Transport for London given the importance of addressing problems created by the presence of the Brompton Road Red Route to the future success of the district
  - Government – BEIS, DCMS
- 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 local residents to discuss proposals and resolve any issues that arise.
  - Create a role for resident representation at BID Board level.
  - Identify opportunities for local residents to benefit more from the success of the International Centre, for example through local employment and small business support.

## Pillar Three

### **Leveraging the International Centre**

Knightsbridge is one of two International centres formally designated by the Mayor in his London Plan and recognised in The Kensington and Chelsea Local Plan and the Westminster City Plan.

The designation provides the opportunity to promote policies at national and local level which specifically apply to the International Centres. These could include enhanced levels of street management, better policing or even Sunday trading regulations, all of which reflect and support the International Centre status. Throughout the BID will seek to mitigate any impact of commercial activity on residential area.

The BID will provide the opportunity for our district to work together with the West End International Centre BID, other BIDs and our local authorities to promote this part of central London as a truly global destination.

### **The BID will**

- 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:
  - Higher level of street services
  - Better quality public realm
  - Enhanced security
  - World leading sustainability measures
  - CSR positioning that reflects world leadership
- 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

## **Destination Marketing**

The BID will seek to encourage visitors, working with partners on targeted, district-wide events and marketing to promote the district.

Destination marketing is pivotal to ensuring Knightsbridge and the Brompton Road continues to retain its national and international standing as an attractive place to invest, live and work, and a major attraction for domestic and international tourists, specifically for high-end luxury shopping with complementary attractions of appropriate quality.

This clear vision, and the improvements made to realise it, will also enhance the district's attraction as an office location for specific sectors of the economy.

The BID will

- 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.
- Work with businesses and neighbouring attractions to deliver an effective and affordable programme of events and marketing opportunities to promote the district.

## Pillar Four

### Driving Transformational Change

Investment is key to an area's long-term success, and investors require confidence that there will be a return. We must ensure that Knightsbridge and Brompton Road remains a key commercial centre in the face of increased London-wide and global competition.

The BID will be the leading voice on the future of the area's built environment and public realm.

Popular destinations have a strong sense of place and a steady investment pipeline. Through ongoing consultation, the BID will bring together the private and public sector to input into the schemes and make the changes happen that will benefit our whole community.

The public realm improvement plans, developed within our strategic vision, view the area holistically and propose a series of schemes which look at the challenges and opportunities for the district in the following areas:

- Transport impacts and connectivity.
- Quality of place and the urban experience.
- Retail attractiveness and agility.
- Visitor experience.
- Long term sustainability – especially from an environmental perspective.

\*The Arup report can be viewed at <http://www.bromptonroadbid.co.uk>

A quality streetscape is essential for the area to attract businesses, retain staff and enhance the visitor experience. Well-managed streets will be an integral part of our commitment to delivering a world-class destination. The BID will not only align its transformation plans with existing agreed local plans, such as the Knightsbridge Neighbourhood Plan, but help to deliver some of those plans' priorities.

The BID will produce a short-list of priority projects, based largely on the long-list of suggested projects produced in the Arup Study. The choice of projects will reflect the priorities of the BID but also take into account comments made by resident and amenity groups regarding the need to mitigate the impact of commercial activities on neighbouring residential areas.

The BID can focus businesses support for the ambitions of our local authorities, for example through practical measures to respond to the climate emergency, such as freight consolidation and waste reduction.

The BID will

- Propose and promote the adoption and delivery of specific highways and transport, public realm, and street management improvements, taking account of existing proposals from local amenity groups such as the Knightsbridge Neighbourhood Forum, to create and maintain a district which is more attractive for customers to visit, residents to live in, and employees to work in, while reflecting the importance of car access in a high-end luxury retail district.
- 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. There will be particular emphasis on ideas to minimise the negative impact of

the traffic on the Brompton Road, for example by giving greater pedestrian priority and better crossings to create a stronger link between each side of the road. The BID will always be conscious of the particular importance of car access in an area of high-end luxury retail and will seek to innovative ways of creating a more harmonious mix.

- Define and promote public realm projects that can be delivered and will enhance both the district and business performance. The BID will work with local authorities, TfL and businesses to bring forward ideas for better paving, more appropriate street furniture; new Legible London signage to guide people around the district; and taking every opportunity to increase green spaces and wellbeing hotspots for residents, employees and visitors.
- Comment on proposed developments and on proposed changes to local planning and licencing regulations to ensure they support the delivery of the Strategic Vision.
- Provide additional street management services in partnership with our local authorities. These could include enhanced cleansing to make the district look and feel more cared for; a larger, more visible and more coordinated security presence to make everyone feel safer; a greater emphasis on managing anti-social behaviour and tackling street crime. The BID will explore with partners a range of innovative approaches to create a cleaner, safer and more welcoming district for visitors, employees and residents.
- 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. Their core services will encompass customer service, the provision of information, event management, monitoring the street environment, helping to manage anti-social behaviour, working with the police to reduce crime, providing an additional presence to enhance visitor wellbeing, and generally supporting the statutory services in maintaining the quality of the street environment.
- Be a catalyst and local focus for the district to ensure that it takes seriously its environmental responsibilities within the context of local authority climate emergency plans and as Britain heads towards a zero-net carbon economy.

Together these improvements will help local businesses to grow by making our shopping district more attractive and welcoming to visitors, employees and local residents so that they visit more often and spend more time in our shops and restaurants. And throughout we will work with local residents to ensure that any investment also enhances their lives while mitigating any potentially negative impacts.

## Pillar Five

### **Providing business support and insights**

The BID will support businesses by taking a district-wide approach to measures that help business development and growth. These will develop over time in response to the evolving needs of the different sectors but will include an insights programme to monitor absolute and relative performance and inform business planning.

The BID will establish a structure for regular assessment of the priorities and needs of the district's different business sectors, including retail, hotels and offices, to ensure that its activities are focused on reducing business costs and increasing revenue.

We want businesses in Knightsbridge and Brompton Road to be equipped to perform at their optimum every day and to assist the BID will provide business members with the tools, guidance and support they need to thrive.

The BID can also link-in with and provide access to existing business support available through, for example, the London Growth Hub, Westminster City Council's Business and Enterprise Service, the local chambers of commerce and London and Partners, as well as work in partnerships that can create additional local business support, such as recruitment and training.

The BID will

- Provide weekly political and operational updates ensure our members are kept up-to-date with what is happening in the area. The BID will circulate monthly reports that contain insights into the performance of the area and the wider central London area.
- Deliver workshops, seminars and face-to-face training with experts on key issues and topics – information gathering, learning and development opportunities which provide valuable and practical insight to members.
- Engage with the relevant authorities on policy matters and responding to consultations with a collective voice.
- Provide local leadership and a powerful collective voice to inform policy and affect change where required on issues that matter most to businesses in the area.

## Finance

Business Improvement Districts are governed by The Business Improvement Districts (England) Regulations 2004. Following a ballot of business, once a majority vote has been achieved in both individual properties and rateable value a BID levy becomes mandatory on all eligible occupiers.

The BID levy that provides the BID's funding is governed by a set of rules.

### The BID Rules

- The BID term will be a period of five years from October 1, 2021, until September 31, 2026;
- The BID levy will be applied to rated properties in the BID district with a rateable value of £50,000 or more;
- The BID levy will be a fixed rate of 1% rateable value using the 2017 rating list, as at April 1, 2021;
- The BID levy for hotels specifically will be a fixed rate of 0.5% rateable value using the 2017 rating list, as at April 1, 2021;
- A BID levy CAP of £100,000 will be applied to each hereditament;
- The BID levy will only apply to retail, food and beverage, leisure (including Hotels) and office hereditaments;
- Properties that come into the rating list during the BID term will be subject to the levy from the effective date that the property is brought into the rating list and the rateable value effective at that time;
- Where the rateable value for an individual hereditament changes and results in a lower levy, then this comes into effect only from the start of the financial year in which the change is made and no refunds will be made for previous years;
- The levy will assume an annual growth rate for inflation of 3% to be applied on April 1 each year;
- There will be no VAT charged on the BID levy;
- The BID levy is due on both empty and occupied hereditaments without a void period nor other reduction;
- The BID levy will not be increased other than as specified in the levy rules;
- Listed properties will not be liable for any BID levy whilst empty;
- The BID levy rules, and BID area cannot be altered without an alteration ballot.

## Budget

Income generated from the BID levy is ring-fenced to be invested in the BID area. It is used to protect and enhance the commercial wellbeing of businesses through a programme of projects and services in line with the Business Plan.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Income</b>						
BID levy	800,000	824,000	848,720	874,182	900,407	4,247,309
Property Voluntary contributions	300,000	400,000	400,000	400,000	400,000	1,900,000
<b>Total Income</b>	<b>1,100,000</b>	<b>1,224,000</b>	<b>1,248,720</b>	<b>1,274,182</b>	<b>1,300,407</b>	<b>6,147,309</b>
<b>Expenditure</b>						-
Supporting COVID-19 Recovery	220,000	183,600	124,872	63,709	65,020	657,201
Harnessing the power of partnership	90,000	122,400	124,872	127,418	130,041	594,731
Leveraging the International Centre	140,000	183,600	199,795	267,578	273,085	1,064,059
Transformation change	140,000	306,000	312,180	318,545	325,102	1,401,827
Business Support & Insight	165,000	122,400	124,872	127,418	130,041	669,731
Administration & Management	165,000	165,000	165,000	165,000	165,000	825,000
Contingency	80,000	82,400	84,872	87,418	90,041	424,731
						-
<b>Total Expenditure</b>	<b>1,000,000</b>	<b>1,165,400</b>	<b>1,136,463</b>	<b>1,157,087</b>	<b>1,178,330</b>	<b>5,637,280</b>
<b>Annual surplus</b>	<b>100,000</b>	<b>58,600</b>	<b>112,257</b>	<b>117,095</b>	<b>122,077</b>	
<b>Cumulative reserves</b>		<b>158,600</b>	<b>270,857</b>	<b>387,951</b>	<b>510,029</b>	<b>510,030</b>

Budget figures are indicative based on the anticipated levy income using 2017 rateable values. They assume a 3% annual inflationary increase and 100% levy collection rate. Levy income may fluctuate in relation to occupancy and is subject to the market at the time of the ratings assessment.

Allocations reflect current priorities however these may change causing variances and re-allocations across the five-year term. Any material variations of the budget will be approved by the BID Board. Contingency is based upon 10% of BID levy. Reserves are maintained to manage the BID's cash flow and can be varied by the BID Board if and when required.

Management and overhead will be maintained beneath the industry benchmark of 20%. We seek to leverage voluntary income, which will help enable more of the members' contributions to be allocated to work programmes, which directly benefit business and the local area in general.

## **Operating Agreement**

Through an Operating Agreement with Westminster City Council and the Royal Borough of Kensington and Chelsea, a process will be put in place to monitor the collection of the BID levy over the duration of the five-year tenure.

Within one month of the ballot result, the Brompton Road BID and each Council will set up a Monitoring Group. There will be at least two meetings of each group every financial year throughout the BID term. At each meeting the monitoring group will:

- Review the effectiveness of collection and enforcement of the BID levy.
- Assess the information provided by the Brompton Road BID Council, Westminster City Council and the Royal Borough and Kensington and Chelsea to each party and make recommendations and/or adjustments.

## **Leveraging additional non-BID levy funding**

The BID will seek to grow its number of voluntary members and in particular leverage its activity towards the delivery of additional funding to support ongoing work programmes. This is with particular regard to public funding opportunities, property owners and commercial/corporate partners.

## **Governance**

The Brompton Road BID will provide an effective organisational model which 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.

The Brompton Road 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. The BID will have two categories of membership:

- BID Levy payers – commercial occupiers liable to pay the BID levy
- Voluntary members – businesses / organisations that are not BID levy payers approved by the BID Board

The nomination of voluntary members will be supported by either an annual financial contribution (cash or in-kind) or their strategic importance to the delivery of the BID's business objectives. Key groups will include property owners, smaller businesses that fall below the threshold of rateable value and businesses outside of the BID's geographic boundary.

## **Organisation Structure**

A Board of Directors will lead and guide the work of the BID. The Board will have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their respective duties and responsibilities effectively. It will seek diversity and ensure a representative mix of its membership, the property sector and wider community.

The Board will meet quarterly and drive the set aims and objectives of the BID, as well as maintaining good governance, overseeing the budget and monitoring performance. The Board will consist of between 12 -16 non-Executive Directors including the Chair. Directors will be appointed by the Board subject to ratification by the BID members at annual meetings of the company.

\*Further details available in the Company Articles of Association

Observers can be appointed to the Board subject to ratification by BID members at annual meetings of the company. Key groups may include the public authorities, the Police and the residential community.

The BID will seek to embrace its members and the wider community within a programme of work which meet its stated aims and objectives. To help guide the BID in this pursuit Board sub-groups may be set up to encourage participation and help to add value to the decision making of the BID. Areas of focus will include Finance & Governance.

## **BID Team**

The delivery of the BID's business plan will be led by a Chief Executive and their team, accountable to the Chairman 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.

## Westminster City Council and Royal Borough of Kensington and Chelsea

A key relationship will exist between the BID and the two local Councils. Westminster City Council and the Royal Borough of Kensington and Chelsea are the main determining authorities in respect of the streets and properties in the area of the BID. Two important agreements will exist between the BID and the two Councils:

- An **Operating Agreement** which outlines how the BID levy monies are collected, administered and passed over to the BID.
- A **Baseline Agreement** which specifies the level of Council led service provision in the area, ensuring that any services the BID provides are additional.

\*To view the Operating Agreement and Baseline Agreement go to <http://bromptonroadbid.co.uk>

### Property Owners

Property owners in the area will be encouraged to join the BID on a voluntary basis and help inform the more longer-term objectives of the organisation. As set out in the membership criteria, membership will be on the basis of a financial contribution towards the overall management of the BID or towards specific projects the BID seeks to advance.

### Voluntary members

Businesses of all sizes are important to the BID. The BID will maintain a voluntary membership scheme for businesses falling beneath the BID levy threshold or outside of the BID's geographical area. In particular, this will provide smaller businesses the opportunity to engage with, and benefit from, the BID, while not being compelled to contribute a mandatory levy. By enabling businesses with a rateable value of less than £50,000 to provide a voluntary levy the BID will be able to enhance the level of the annual budget.

### Residential Community

There is a significant residential community within Knightsbridge and the Brompton Road; a community proud of the area's heritage and status and keen to protect its future wellbeing.

Engaging with the wider community, those that work and live in the area, will be an important part of the BID's work plan to help deliver an improved sense of place for all to enjoy and benefit from. The BID will communicate and work with the local community and provide an opportunity for wider views to be embraced within the BID's decision making.

## **BID Ballot – Using Your Vote**

From August 19, 2021, you will be given the opportunity to vote on this business proposal for the establishment of the Brompton Road BID.

To ensure neutrality, the BID ballot will be administered by the Westminster City Council and the Royal Borough and Kensington and Chelsea Returning Officers and electoral services staff. It will be arranged in line with the rules set out in the BID regulations (2004) as approved by Parliament.

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.

### **Voting procedures**

- Your ballot paper will be distributed on August 26, 2021
- You will need to cast and return your postal vote by 5pm on September 23, 2021
- The results of the vote will be announced online on September 24, 2021

All eligible businesses will be entitled to one vote per hereditament. Some businesses occupying more than one hereditament within the area will therefore be entitled to more than one vote.

A full list of businesses eligible to vote is available at <http://bromptonroadbid.co.uk>

To discuss this document in more detail please contact:

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Full ballot arrangements are available at <http://bromptonroadbid.co.uk>

The BID is your opportunity to have an influential voice and implement changes that will positively affect your business and help ensure the future wellbeing of Brompton Road and Knightsbridge.

**It's your vote. Use it.**

## Acknowledgements

