

Property Owner BIDs

Primary legislation enabling the introduction of a Property Owner Business Improvement District (PO BID) was introduced within the Business Rates Supplement Act, 2009. Regulations required to actually establish a property led BID were put in place by the DCLG in December 2014.

The legislation allows for a PO BID to be introduced in a location where an Occupier BID already exists and where a Business Rate Supplement is in place. A PO BID would be established following a very similar consultation and ballot process to that of the Occupier BID. A BID proposal would be drafted that serves the medium to longer term needs of the owners involved. All those that would be required to pay the levy would be involved in the development of the BID proposal and would have the right to vote.

From the outset of New West End Company our agenda and vision has been driven and strongly influenced by forward thinking property owners. We are inviting all owners in our area across **Bond Street, Oxford Street and Regent Street** to work closely with us to develop a support a Business Plan which will represent your interests on the wider agenda, add value to investments and enhance the public realm around these assets.

A number of owners have been voluntary contributors to New West End Company for the past decade or more and, as such, are keen to act as pathfinders to other owners during the development of a property owner BID. In total c£10m has been contributed voluntarily by the property sector since our initial inception as a voluntary organisation and subsequently a Business Improvement District.

An outcome from the initial property meetings in 2014 was the establishment of a Property Steering Group to champion the property led BID initiative. Chaired by The Crown Estate, the group consists of The Portman Estate, Lancer, Circle, Aviva, Ponte Gadea, Grosvenor, Redevco, Exemplar (Westminster Property Association) and the John Lewis Partnership.

Work Programme

New West End Company has undertaken 4 key work programmes:

- A BID modeling exercise to help shape the structure of the property led BID;
- An analysis of property ownership in the current BID district;
- Compiling a value proposition for testing with property owners to develop the proposal;
- A property engagement programme.

BID Rules

The BID process is governed by Government legislation and regulations. As such, once a majority vote has been achieved, the BID levy becomes mandatory on all defined owners.

The current rules being considered for the BID levy are as follows:

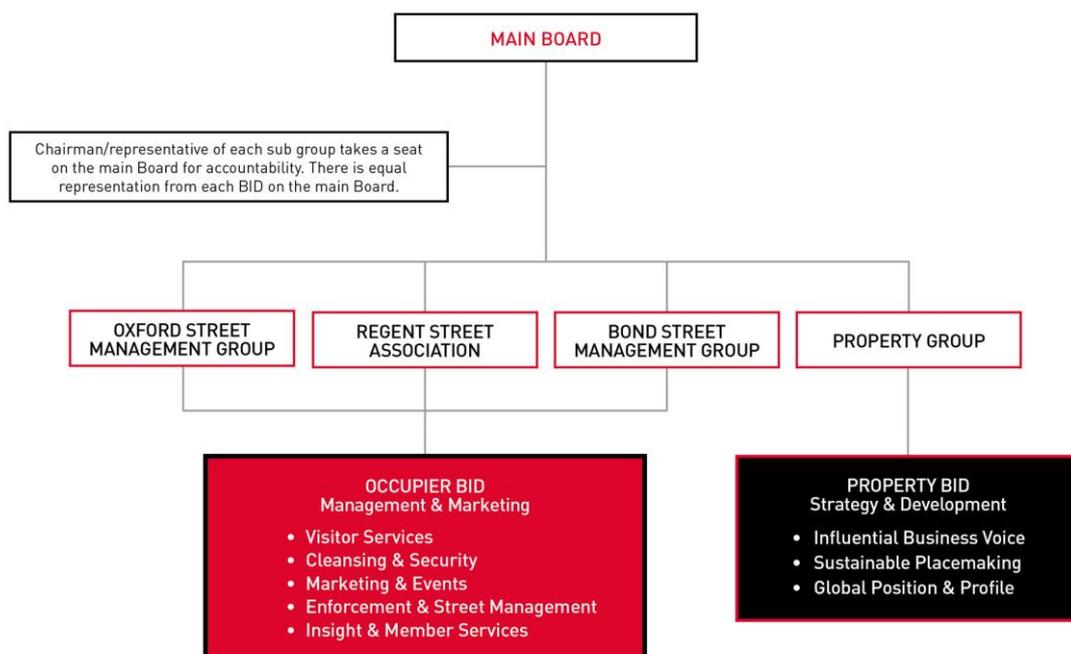
- **Owner Definition:** The first lessee above the rateable occupier where the current lease is granted for a term of more than 35 years, or in the absence of a relevant first lessee, the freeholder;
- If the relevant owner is part of the same group of companies (as defined in s474 of the Companies Act 2006) as the occupier BID levy payer for any rateable hereditament, then the Property Owner BID levy shall be charged at 0.5% of the Rateable Value using the 2010 rating list as at 1 April 2015 for that relevant interest.
- The BID levy will be fixed at 1% of Rateable Value, with a 3% annual uplift;
- The BID levy will be applied to rated properties (retail & leisure use) in the BID with a rateable value in excess of £250,000 based on 2010 ratings list;
- The renewal BID term will be for five years from 1st Jan 2016 to 30 December 2020;
- The BID levy for Owner occupiers (retail/hotel) specifically will be fixed at 0.5% of Rateable Value using the 2010 rating list as at 1 April 2015 for that relevant interest with a 3% annual uplift

There is an anticipated c125 voters delivering an annual income of c£3.2m

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Governance

The Property BID will sit within the overall company framework of New West End Company with appropriate reporting structures to ensure accountability and transparency of expenditure across both the occupier and Property BID.



Project timetable

A project programme was compiled to guide the development of the initiative, which was set into 4 stages:

- Engagement and development, March - August 2015
- Launch, campaign and consultation, September – November 2015
- BID Ballot, December 2015
- Establishment of Property BID, 1 January 2016

During the ballot campaign a rolling programme of events will take place to provide regular opportunities for engagement and feedback with the property constituency. The aim will be to showcase what a property BID has the potential to achieve and seek a commitment amongst owners towards the BID initiative.

New West End Company seeks to commence operation in January 2016.

Questions & Answers:

What is a Business Improvement District?

A **Business Improvement District** (BID) is a defined area within which businesses come together to fund additional local projects and services. The BID mobilises the experience and expertise of local businesses who work with each other in partnership with the public authorities to improve their District.

Retailers in the **West End** currently run an occupier BID: **New West End Company**. This has helped fund major enhancements to the retailing environment through public realm improvements, street management, cleaning and gum removal, the **Welcome Ambassador** meet-and-greet service, enhanced enforcement, worldwide marketing and PR campaigns, iconic **Christmas lighting, traffic-free street events** and **regular insights on sales, footfall and performance**. A number of **West End** property owners have been strong supporters of **New West End Company** for many years and are fully committed to the next stage.

What will it cost?

Contributions for qualifying property owners will be 1% of the Rateable Value of each of their retail/leisure properties in the District, with a Rateable Value of £250,000 or more on the retail, leisure and hotel use of the building. This mirrors the current occupier BID.

What is the liability of Owner Occupiers?

Recognising the contribution of owner occupier from the current retail BID, the property owner BID will be reduced by 50%.

What can we achieve together?

A **Property Owner BID** will raise up to £3.2m in its first year, and this will leverage significant additional funding and resource from **Transport for London** and **Westminster City Council** and others. Property Owner contributions will go towards a **Business Plan** agreed with the property industry.

What is the Property Ballot?

A Property Owner BID (PO BID) will be established if a number of qualifying hereditaments of Property Owners in a given geographical area, who are legible to vote on the PO BID Proposal, vote in its favour. The ballot needs to satisfy two tests. It needs to achieve a majority in number of those hereditaments and a majority in proportion of Rateable Value of hereditaments voting. The PO BID levy can only come into effect if both these tests are met. The PO BID levy is then applicable to all eligible Property Owners.

When is the vote and how do I take part?

All eligible property owners will have the opportunity to vote on the Business Proposal from 18 November 2015. To ensure transparency and due diligence, the BID ballot will be administered by the City of Westminster Returning Officer and their Electoral Services Staff. It will be organised in line with the rules set out in the Property Owner BID regulations (December 2014) approved by Parliament.

- **Your ballot paper will reach you by post on or before Friday 20 November 2015**
- **You will need to cast and return your postal vote by 5pm on Thursday 17 December 2015**
- **The results will be announced on Friday 18 December 2015**
- **On a successful ballot, the BID will become operational on Friday 1 January 2016**

Who will be involved?

There are 125 West End landlords who have properties with a current Rateable Value of £250,000 or more within the BID boundaries and thus qualify for inclusion. All who qualify will have the opportunity to develop and vote on the proposed business plan. If there is a majority in favour the BID will be established for a five-year period from 2015-2020. The BID levy will only apply to that part of a property use for retail, food and beverage provision, gallery space and leisure purposes.