

# The King's Road Partnership

## Business Improvement District

### Business Plan

The international reputation of the King's Road, established in the 1960s, 70s and 80s, was built on cutting edge fashion, music and art which followed Chelsea's renown as an artistic and bohemian colony during much of the 19<sup>th</sup> and 20<sup>th</sup> centuries attracting artists, radicals, painters and poets. This helped establish the 1.8-mile road as one of the world's most fashionable places for the young and avant-garde to visit, shop and play.

In the following decades as trends changed, retail adapted and Chelsea evolved, the Road lost much of its status at the vanguard of culture and fashion - and its clientele and businesses became more upmarket mainstream.

But the King's Road is reinventing itself. A coordinated approach to the curation of the street by the King's Road Partnership which comprises property owners including Cadogan, Martins Properties, Halj Group, and Crosstree, together with the iconic Chelsea store, Peter Jones and the Royal Borough of Kensington and Chelsea, is already showing results.

The aim is to continue to build on the rich history and enviable reputation of the area to refresh the unique and compelling appeal for local, as well as national and international visitors who appreciate a destination that is sophisticated, yet avant-garde – epitomising the best of evolving, experiential retail with exciting hospitality, compelling culture, community use and inspiring events.

The King's Road Partnership's approach is clearly starting to pay dividends, for the benefit of property owners, occupiers, local residents and visitors to the area. But changing the unconscious drift into borderline suburban to re-establish the global reputation of the King's Road in a 21<sup>st</sup> century way, requires continuing leadership, cooperation, focus and energy. There is much more to be done to adapt and respond to evolving consumer trends while respecting the interests of local residents.

In order to achieve these aims and protect and enhance the iconic status of the King's Road, the King's Road Partnership has identified the need to establish a Business Improvement District (BID) for the area. A BID will act as a vehicle to set strategic direction and work with a wide range of partners to develop and execute the changes needed to ensure that the King's Road continues to flourish and strengthen its distinctive character.

This Business Plan is the BID's proposal for a £4 million, five-year programme of investment to enhance both the physical presence of the Road and the range of services needed to ensure that it looks and feels clean, safe and welcoming. It builds on the successes already made in re-establishing the special appeal of the King's Road.

This continued investment in the King's Road is not just good for businesses and visitors, it's good for everyone who lives and works in the district. Enhancing the physical environment and creating a safer, cleaner, greener King's Road will make ours and even better place to live and work.

If businesses vote 'yes' to a BID, this Business Plan will guide the district-wide activities of occupiers and property owners. The BID will engage more widely with key stakeholders, local government,

residents and neighbouring institutions to help deliver together a programme to ensure a vibrant, viable and sustainable district for everyone to enjoy.

## **Vote ‘yes’ to the King’s Road BID**

### **Strategic Context**

The King’s Road is one of the world’s most famous shopping and lifestyle destinations. From its royal origins to rebellious creative spirit, it has captured the imagination of generation after generation as the place for London society to see and be seen – but we must ensure that it continues to do so.

The Road is an intrinsic part of Britain’s cultural and social history. From its origins as the private Royal thoroughfare for the stylish King Charles II to travel between his palaces at Fulham and St James’s, the King’s Road has always been at the forefront of fashion trends, from Mods to Punks, Sloanes and New Romantics. It has been the epicentre of London’s art, fashion and music scene - the haunt of artists, radicals, painters and poets - and drawn iconic characters and stories, from Oscar Wilde, The Rolling Stones, The Beatles, Vivienne Westwood, Mary Quant, to Christian the lion and as ‘home’ to James Bond. Today, it is an aspirational destination with an abundance of independent shops, galleries and restaurants, but constant investment is needed to ensure it remains an inspiring, relevant experience and essential part of London’s rich character.

### **The King’s Road in a time of change**

The King’s Road is in a stronger position than most to respond effectively to the structural changes that are hitting Britain’s high streets. It has the strength of its rich history, a global reputation and the determination of the interests represented by the King’s Road Partnership to work together to ensure its future.

But all shopping districts are facing a ‘perfect storm’ of rising costs (particularly business rates and Brexit related increases in the cost of employment and supplies) and falling revenues as consumers increasingly move online for their shopping. To this can now be added the impact of COVID-19, with the disruption to trade for more than a year and the fall in city centre office workers and visitors. On top of this, the Government’s decision to end the VAT RES (tax-free shopping) will hit hardest those parts of London that usually attract high spending international tourists.

These changes are taking place against a global backdrop of climate change and other environmental challenges. Tackling these requires active planning and delivery by everybody, including businesses, property owners.

As the world in which they operate is changing, the destinations most likely to survive and prosper are those that evolve to stay relevant and attractive to investors, residents, visitors and employees whilst ensuring a just and inclusive transition to a low carbon economy. And to evolve successfully requires the active engagement of all parts of the local community – businesses, property owners, public authorities, residents and other community groups and leaders.

The King’s Road Partnership recognised the need to engage local businesses to play their part in ensuring the Road’s future sustainability, vibrancy and vitality. They commissioned a Feasibility

Study into the formation of a local Business Improvement District (BID) as the means for uniting businesses and leading change and improvement in consultation with the wider community.

The Study, which involved interviews with a wide range of stakeholders, representing all sectors of the community, overwhelmingly supported the establishment of a BID. You can see the Feasibility Study here ([link](#)).

This Business Plan is a five-year programme, informed by the Feasibility Study and discussions with local businesses. It is designed to respond effectively to the changing retail environment by addressing the key challenges identified for the King's Road.

## **The COVID-19 challenge**

In the immediate term, the King's Road BID will play a vital role in ensuring the recovery and growth of the district as we start to rebuild after COVID-19.

COVID-19 has dramatically accelerated the need for retail districts to evolve. As digital retailing has grown, high streets need to adapt to attract visitors. The pandemic has also halted international visitors, creating a significant impact for world renowned shopping districts including Chelsea.

The long-term behavioural change is yet to be fully felt. This is why it is vital that businesses, communities and local authorities work together to assess and respond to these structural changes. Together, the King's Road businesses can agree the best ways to ensure the future sustainability of their street, while understanding and respecting the views of local residents and other stakeholders.

A new King's Road BID will focus the voice and needs of local businesses to ensure that the district comes out of COVID-19 different but stronger.

## **Stakeholders**

The Business Improvement District will be a voice for business interests in the district. But any vision can only be achieved with the support of partners in the local community, working closely with 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. The planned BID will provide a platform for businesses to work together with all elements of the local community to deliver an agreed vision for the district that benefits all stakeholders.

Throughout, the BID will work closely with local residents to ensure that they input into the both the strategic direction and specific projects to ensure that they play a part in the future development of the King's Road.

## **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 around £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. It acts as a catalyst to promote wider public and private investment into projects which enhance the neighbourhood.

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

- Return on investment
- A better operating environment for business
- A focus on increasing footfall and dwell time, providing more customers for local businesses
- More effectively managed and more sustainable
- Promoting destination of choice for visitors, businesses and residents alike
- Effective engagement through a single voice 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.

### **Feasibility study**

The King's Road Partnership commissioned a Feasibility Study in 2020 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 area including property owners, retailers, hoteliers, resident and amenity groups, local authorities, community leaders and neighbouring institutions.

The Study identified a range of challenges faced by the King's Road, including:

- The King's Road retained its vitality, but this was not consistent along the whole length of the street, declining towards the west.
- The King's Road today does not match the reputation it has developed in the past.
- The creative and artistic sets have moved on to other parts of London.
- Sloane Square is not the gateway it could be.

Contributors to the Study identified some key initiatives that could contribute to the future success of the Road, including:

- Recreating the creative character for the 21<sup>st</sup> century
- Promoting the Road through marketing and events
- Enhancing the management of the Road, traffic and public realm
- Engaging more with neighbouring cultural institutions
- Extending the day with an evening economy that is well managed and appropriate to the mixed residential and commercial nature of the district

The Feasibility Study highlighted the need for a plan for the future viability of the King's Road that benefits businesses, property owners, residents and visitors.

Significantly the study suggested that the establishment of a Business Improvement District for the King's Road was both viable and feasible if approached in a considered and strategic manner.

The ambition for exploring a Business Improvement District was established and engagement continued with key businesses and wider stakeholders to explore in more detail the opportunity of establishing a BID to represent the King's Road.

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

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

- 1. £4m investment into the King's Road**
- 2. COVID-19 recovery**
- 3. Encouraging footfall, increasing dwell time and spend**
- 4. A collective business voice on issues that matter**

## **Delivery Plan**

When the majority of eligible businesses vote to establish a Business Improvement District, they create a legal vehicle and give it legitimacy as the voice of local businesses. Throughout the UK, this combination has proved a powerful force for delivery of change.

A BID is recognised as the representative of business. It serves as a focus for business, allowing a two-way dialogue between its members and a range of local bodies, particularly the council, the Mayor, residents and community groups.

This Business Plan, developed through consultation with occupiers and property owners and in consultation with residents, provides a proactive five-year programme of projects that are important to our businesses. The BID's role is to lead on projects, think about the economic future of the Road and to influence its many partners to help deliver the Business Plan. The BID will have access to dedicated resources to deliver the programme, some on its own and some in partnership with other organisations.

The King's Road BID would be the vehicle to focus resources and efforts, first on recovery and then on long-term growth. 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.

The need to ensure that the BID makes a positive contribution to the environmental, social and corporate governance (ESG) will be incorporated into every element of the BID's activities.

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

## The BID Area

The formal boundaries of the BID are shown in red and grey on the map below. However, the BID can and will engage with its neighbours to support and promote projects outside this area that will benefit the district.



## **The BID Area**

### **The 5 Pillars**

The BID will focus its delivery programme on five interconnected pillars which together will be most effective at supporting and promoting the growth of the King's Road businesses, while at the same time reflecting any additional interests of the wider community. These pillars are -

- 1. Supporting COVID-19 Recovery**
- 2. Destination marketing**
- 3. A quality street environment**
- 4. Providing business support and insight**
- 5. Collaboration and Partnership**

#### **Pillar 1 – Supporting COVID-19 recovery**

Like all retail areas, the King's Road has been seriously affected by the COVID-19 pandemic. With the effective national vaccination programme now in place, we can begin to rebuild visitor confidence and deliver a recovery plan for the King's Road.

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

This BID will provide leadership and a range of services that will help King's Road businesses in their immediate recovery from the impact of the pandemic and support their longer-term growth.

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 King's Road as pandemic restrictions lift. Secondly, it will work with residents, local community groups and the Royal Borough of Kensington and Chelsea 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 King's Road economy

- Position itself at the forefront of the recovery plan for King's Road through innovative and creative thinking, initiatives and activities
- Encourage businesses and relevant authorities to work together on the practical measures needed to create a district that will attract investment
- Help maintain and develop a destination that provides 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 2 – Destination marketing**

Destination marketing is pivotal to ensuring King's 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.

Cadogan has led an effective initial branding and destination programme for the King's Road, beginning in 2019. The BID will work with Cadogan to help continue building 'destination status' for the King's Road through a strengthened sense of community and place, driving profile, footfall and spend from domestic and international audiences.

### **Strengthening the profile**

The King's Road continually needs to assert its position as one of the world's most famous shopping destinations to ensure it gets the profile and visitor footfall it merits. Local residents and workers as well as international and domestic visitors need to be constantly reminded why it is so special.

The King's Road Partnership – comprising property owners including Cadogan, Martins Properties, Halj Group, and Crosstree, together with Peter Jones and the Royal Borough of Kensington and Chelsea, began to address this in 2019 with the creation of a new brand identity to ensure consistent messaging and awareness, a stronger destination brand, a unified story and consistent promotional channels and events.

This included the creation of a visual identity to reflect the Road's distinct personality and spirit, imagery, fully mobile (but not transactional) digital destination site, Instagram feed and monthly newsletter.

The new identity and 'vision' for the King's Road was launched in April 2019, garnering significant press coverage, with over 40 features including repeated mentions in The Times and Evening Standard, alongside WWD, Sunday Telegraph, Luxury London, Creative Review, Tatler, Property Week and The Financial Times. Headlines included '*King's Road gets back into the groove*' (The Times, April 2019), '*Long Live the King's*' (FT How To Spend It, March 2019), '*King of King's – the rebirth of a storied capital thoroughfare*' (ES Magazine, Jan 2019), among many others.



To gain maximum visibility for the new identity, while celebrating the Road's extraordinary heritage, the King's Road sponsored the Mary Quant exhibition at the V&A from April 2019 – February 2020, prominently positioned online and physically throughout the exhibition for over 400,000 global visitors – communicating the Road's rich character and exciting future. In addition, a plaque celebrating the designer's original 'Boutique' was created and unveiled by Quant's son at a local community event, covered by publications including the Evening Standard, Vogue Italia and WWD.

### **Driving footfall and ongoing awareness**

The refreshed identity will feed through to a curated, community-minded approach to physical retailers (seeking out brands with artistic, community focused values aligned with King's Road bohemian roots) and a continual flow of marketing activity and news.

Working with the King's Road Partnership, the BID will support and help grow consumer marketing activities including:

- Working with partners on targeted, district-wide events to attract visitors and a marketing strategy to promote the district. Events and partnerships to continually create news, content and reasons to visit e.g.:
  - Chelsea in Bloom: The King's Road is now a vital part of London's largest free flower festival, driving footfall equal to a Christmas peak in May each year
  - Christmas Lights and shopping Event: unique festive lights to build on previous years by celebrating the Road's identity, created for the first time in 2019 – including glowing crowns as a nod to regal heritage, juxtaposed with a giant illuminated contemporary logo. Community Christmas shopping event established, with around 90 local retailers participating
  - Artistic/philanthropic installations hosted to fuel joy, discovery and underpin the Road's values– to date including the likes of the World Horse Foundation's horse sculptures (August 2019), giant floral heart (February 2021) and CoExistence's 50 lifesize elephant sculptures (May 2021)
  - Kensington & Chelsea Art Week and Summer Festival – King's Road as a backbone of activity for public sculpture and live performance across the Borough
  - London Fashion Week x King's Road – destination of choice for Fashion Week in June and September 2021, highlighting the Road's heritage at the heart of British fashion with pop-up activity and offers
- Social media – the destination's 'new' Instagram platform is enjoying strong growth through influencer partnerships, UGC, campaigns, competitions, Reels and IGTV. This has grown from a standing start in April 2019 to almost 20,000 engaged followers (a net increase of 6-800 new followers on average per month)
- Consumer website and newsletter – currently, this has grown from scratch to an average of 5,000 visitors per month
- A Privilege Scheme to capitalise on local loyalty, to be launched in 2021

- Tourism marketing programme planned to promote a cohesive identity to businesses, tourists and Londoners, creating a powerful message that resonates as strongly with international visitors as it does with those from London and the UK domestic audience

The Feasibility Study identified the potential for enhancing the attraction of the Road through active and closer collaboration with nearby institutions. The BID will explore ways to work with these nationally and internationally renowned attractions to create an even more appealing offer to visitors.

### **Pillar 3 – A quality environment**

The BID will propose and promote the adoption and delivery of public realm and street management improvements to create and maintain a district which is more attractive and experiential for visitors, residents and employees.

It will provide additional street management services in partnership with the local authority and explore innovative approaches to create a cleaner, safer and more welcoming place for visitors, employees and residents. This will include enhanced security to tackle anti-social behaviour and street crime.

The BID will be the leading voice on the future of the street environment and public space, proposing and promoting public realm, environmental and transport management projects which it will deliver in partnership with the Council, Transport for London and private companies.

A quality streetscape is essential for the area to attract businesses, retain staff, appeal to residents 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 focus businesses support for the environmental and community investment ambitions of the local authority, through practical measures to respond to the climate emergency and deliver social impact. The BID will build on the ambitious ESG targets set by Cadogan and its commitment to becoming net-zero by 2030.

#### *The BID will;*

- Propose and promote the adoption and delivery of 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 public realm projects that can be delivered and will enhance the Road, the area and business performance. The BID will work with the local authority, TfL and businesses to bring forward ideas for better paving, more appropriate street furniture; new Legible London signage to guide people; and increase green spaces and wellbeing hotspots for residents, employees and visitors to relax.
- Provide additional street management services in partnership with the local authority. These could include enhanced cleansing to make the area look and feel more cared for; a larger, more visible and more coordinated security presence to help everyone feel safer; a greater emphasis on managing anti-social behaviour, tackling street crime and theft from shops. The BID will explore with partners, including RB Kensington and Chelsea and the Police on a

range of innovative approaches, such as greater coordination of CCTV, to create a cleaner, safer and more welcoming district for visitors, employees and residents

- Employ and extend the uniformed '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.
- Comment on proposed developments and on proposed changes to local planning policy and licencing regulations to ensure they support the delivery of the agreed strategy
- Explore options for appropriate digital infrastructure to support the growth of businesses on King's Road and retain London and national competitiveness
- Be a catalyst and local business focus for environmental matters within the context of the local authority climate emergency plans and as Britain heads towards a net-zero carbon economy, contributing to and building on Cadogan's Chelsea 2030 sustainability strategy

Together these improvements will help local businesses to grow by making our shopping area 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. We will work closely throughout with local residents to thoroughly understand their views and ensure that proposed changes also enhance their experience, while seeking to mitigate potentially negative impacts.

#### **Pillar 4 – Providing business support and insights**

The BID will support businesses by taking an area-wide approach to measures that help business development and growth. These will develop over time in response to the evolving needs of the retail and leisure sector but will initially include an insights programme (e.g. footfall and when available sales data) 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 different business sectors to ensure that activities are focused on increasing revenue and reducing business costs. Establishing itself as the voice of business in the area, the BID will promote and influence relevant local and London policy issues.

The communications programme will produce regular updates of relevant news and business insight for King's Road businesses together with a programme of networking and business insight events.

The BID can also link-in with and provide access to existing business support available through the local chambers of commerce and London and Partners, as well as work in partnerships that can create additional local business support.

We want businesses on King's Road to be equipped to perform at their optimum every day - and to assist that the BID will provide business members with the tools, guidance and support they need to thrive.

*The BID will;*

- Provide weekly political and operational newsletters to 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 wider central London
- 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
- Identify opportunities to encourage and foster new enterprises

## **Pillar 5 – Collaboration and Partnership**

One of the key roles of the BID will be to act as a catalyst to encourage public and private sector partners, working together to support and invest in projects that will enhance the Road and help deliver plans for the future.

As a body dedicated to constant improvement of the area, the BID will concentrate on bringing together our key businesses with the Royal Borough of Kensington and Chelsea, the Mayor and Transport for London. Together we can agree, over time, to adopt and finance the projects that need to be undertaken to ensure that the district continues to evolve and thrive.

The power of partnership extends beyond business and government. The BID will actively engage with other elements of the Chelsea community so that projects are selected and designed with input from, and a clear understanding of, residents' interests and those of other nearby institutions and organisations.

From the initial Feasibility Study, the promoters of the BID have engaged with resident, amenity and community groups as well as local councillors. 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. But any vision can only be achieved with the support of partners in the local community and local authorities.

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 feels the benefits that flow from a successful commercial district.

*The BID will:*

- Provide essential business-led leadership and influence. Through this local leadership and a powerful collective voice for our members, the BID will inform policy and effect change on the issues that matter most to our members and the neighbourhood
- 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 leader of change and a catalyst to help mobilise businesses and key public sector delivery partners, principally:
  - Royal Borough of Kensington and Chelsea
  - The Mayor and his key agencies, particularly Transport for London
  - Government – BEIS, DCMS
- Provide a platform for businesses to work together with representatives of the local community to achieve an agreed vision 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

## **BID Rules**

Business Improvement Districts are governed by The Business Improvement Districts (England) Regulations 2004. Following a ballot, 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 December 1, 2021, until November 30, 2026
- The BID levy will be applied to rated properties with a rateable value of £50,000 or more
- The levy will be a fixed rate of 1% rateable value as at April 1, 2021, using the 2017 list for all eligible ratepayers
- A BID levy CAP will be applied to each hereditament of £50,000
- The BID levy will apply to retail, food and beverage, leisure (Hotels) and office hereditaments
- Properties that come into the rating list during the BID term will be subject to the levy from the 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
- There is no distinction to be made between occupied or unoccupied hereditaments
- The BID levy will not be increased other than as specified in the levy rules
- The BID levy rules, and BID area cannot be altered without an alteration ballot

## **Drop Down 2 - Budget**

## Income and Expenditure and 5 Year Cash Flow

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	500,000	515,000	530,450	546,364	562,754	2,654,568
Property Voluntary contributions	300,000	300,000	300,000	300,000	300,000	1,500,000
<b>Total Income</b>	<b>800,000</b>	<b>815,000</b>	<b>830,450</b>	<b>846,364</b>	<b>862,754</b>	<b>4,154,568</b>
<b>Expenditure</b>						-
Supporting COVID-19 Recovery	110,000	97,800	83,045	42,318	25,883	359,046
Destination Marketing	150,000	187,450	207,613	253,909	276,081	1,075,053
Quality Street Environment	110,000	122,250	124,568	126,955	129,413	613,185
Business Support & Insight	80,000	81,500	83,045	84,636	86,275	415,457
Collaboration & Partnership	80,000	81,500	83,045	84,636	86,275	415,457
Administration & Management	120,000	122,250	124,568	126,955	129,413	623,185
Contingency	50,000	51,500	53,045	54,636	56,275	265,457
						-
<b>Total Expenditure</b>	<b>700,000</b>	<b>744,250</b>	<b>758,928</b>	<b>774,045</b>	<b>789,617</b>	<b>3,766,840</b>
						-
Annual surplus	100,000	70,750	71,523	72,318	73,138	
Cumulative reserves		170,750	242,273	314,591	387,728	387,729

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 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 King's Road BID and the 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 King's Road BID and the Royal Borough of 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**

### **Company Structure**

The King's 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 the King's Road.

The King's 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.

### **Organisational 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.

## **Royal Borough of Kensington and Chelsea**

The BID legislation establishes a relationship between the BID and the local authority in which it is located.

The local authority must be satisfied that the Business Plan meets the necessary legal requirements and is responsible for managing the BID ballot. On behalf of the BID, it collects the BID levy through the local business rates bills.

Beyond that, a positive, ongoing working relationship between the BID and the local authority is vital for success in delivering the Business Plan.

Councillors and Officers of the Royal Borough of Kensington and Chelsea have been involved from the start of the process, many contributing to the initial Feasibility Study. They are supportive of the establishment of a BID and regard this as a positive move to promote and support the future evolution of the King's Road district.

The BID will involve formal participation of the local authority within its governance structure but, just as important, the BID will develop a strong and constructive working partnership at all levels. Together, and with other elements of the local community, we will work to make the King's Road a better place for everyone to work, live and visit.

A key relationship will exist between the BID and the Royal Borough of Kensington and Chelsea as 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 Council:

- 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

## **Property Owners**

Property owners in the area will be encouraged to join the BID on a voluntary basis and help inform the 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 the proximity of the King's 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 October 28, 2021, you (if you are an eligible business rates payer) will be given the opportunity to vote on this business proposal for the establishment of the King's Road BID.

To ensure neutrality, the BID ballot will be administered by the Royal Borough and Kensington and Chelsea Returning Officer 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 October 28, 2021
- You will need to cast and return your postal vote by 5pm on November 25, 2021
- The results of the vote will be announced online on November 26, 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://.....>

To discuss this document in more detail please contact:

Steven Medway  
steven.medway@cadogan.co.uk  
+44 (0) 20 7901 8871 or  
+44 (0) 7930 855 040

Gary Reeves  
gary.reeves@gjr.management  
+44 (0) 7949 513 796

Full ballot arrangements are available at <http://King'sroadbid.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 King's Road.

## Acknowledgements

