

SOUTH BANK BID THIRD TERM

1 OCTOBER 2024 TO 30 SEPTEMBER 2029

A PROPOSAL TO LAMBETH COUNCIL

INTRODUCTION

This document should be read in conjunction with the letter of 29 September 2023 to Bayo Dosunmu – Chief Executive of Lambeth Council – and the associated slide deck and cash flow analysis. Together they represent South Bank BID’s proposals for its third term and includes a summary of the consultation we have undertaken with those who are to be liable for the BID levy; the proposed business plan (including the estimated cashflow, an estimate of the predicted revenue to be generated and the predicted expenditure to be spent under the BID arrangements, the predicted budget over the duration of the BID arrangements and the contingency margin included in the budget); the financial management and governance arrangements for the BID body, and the arrangements for periodically providing Lambeth Council and Southwark Council as the relevant billing authorities with information on the finances and the financial management arrangements for the BID body.

SOUTH BANK BID

South Bank BID was set up in 2014 to improve the management of South Bank in the face of increasing footfall and economic growth. Having received a 99% Yes vote during the ballot for the BID’s second term in 2019, South Bank operates under its vision of ensuring that South Bank remains a world-class place for our businesses and all those that work, visit, live and study here. The BID operates across parts of the London Borough of Lambeth, and parts of the London Borough of Southwark

We fund and support several public realm services, including enhanced security, cleaning, and refuse collection, and help to promote South Bank as a leading visitor destination and as the cultural heart of London. We are a voice for South Bank and its businesses, especially those levy-paying businesses that have property in the South Bank BID area with a rateable value of £50,000 or more.

The work of South Bank BID is achieved by working in collaboration with others who share our vision for the future prosperity of the South Bank, including South Bank Employers’ Group, Lambeth Council, Southwark Council, and all members of South Bank and Waterloo Partnership. South Bank BID Ltd is an independent organisation, governed by a Board of Directors drawn from a range of businesses within the BID area who work to support all our levy paying members and to represent their views.

The BID is a successful one and is respected for its track record and achievements. This is reflected in its very high ballot results, and its levy collection rate. It achieved British BIDs accreditation in 2019 and will be seeking the renewal of this in 2024.

It has a positive profile with a range of external organisations and has won national award for its work.

To minimise costs and risk, and to make the best use of existing resources and expertise, South Bank BID does not employ staff. It delivers its programmes, projects, and services through South Bank Employers' Group (SBEG), a not-for-profit company that was set up as a member organisation in 1991 to improve the South Bank area. SBEG delivers its services to South Bank BID through a service level agreement, the terms of which are renewed every five years. SBEG is an accredited London Living Wage Employer.

BUILDING ON THE BID'S SECOND TERM: COVID AND RECOVERY

The BID has approximately one year left in its second term. With a resoundingly positive result in the ballot, the BID started its second term with confidence and ambition. But its priorities changed dramatically with the onset of the Covid-19 pandemic in March 2020 and the subsequent lockdowns. The BID's response to the pandemic was decisive and determined, and it immediately began to work with its partners on what became the South Bank and Waterloo Covid-19 Recovery Plan which was published in July 2020 by South Bank and Waterloo Partnership.

The BID responded positively to the rising levels of criminal and anti-social behaviour that the South Bank experienced in 2020 and 2021, tactically directly its resources in collaboration with its partners. It supported many of its businesses in the cultural, tourism and hospitality sectors as they adjusted to the changing economic circumstances and worked with partners across London, including London & Partners and the Mayor of London's team to co-create the very successful Let's Do London domestic and international marketing campaigns.

In June 2021, The BID was extremely grateful to receive a grant of £500,000 from Lambeth Council's Economic Resilience Fund (ERF) and the second half of the BID's second term has focused on the task of recovery. Encouragingly, visitors have returned to South Bank, and it is pleasing to see that these are Londoners, as well as domestic and international audiences. And after a slow start, office workers have now returned to the area, although there is a recognised skew towards the Tuesdays, Wednesdays and Thursday pattern which is common to other parts of central London.

The BID has been able to bring back two "S92" Metropolitan Police officers who are dedicated to the area, and it has allocated funding to enable the dedicated police room in Southbank Place to be brought into operation.

With funding from South Western Railway, the BID has introduced an Outreach Worker service - targeted at the homeless community and street population around Waterloo Station, this service is delivered in partnership with Lambeth Council and Thames Reach.

In addition to its investment in the Let's Do London campaign, the BID has invested in the South Bank London destination brand, with a new website and a refreshed approach to targeted marketing campaigns. The STAR Card, the BID's loyalty programme that it runs in partnership with WeAreWaterloo was also relaunched as a digital card, and this has seen a steady increase in downloads.

During the Lying-in-State period for the late Queen's funeral, the BID provided funding to support additional security and cleaning services, given that the queue to the Palace of Westminster ran along the Queen's Walk, through Jubilee Gardens, along Belvedere Road and the Albert Embankment - all of which are in the BID area.

The BID anticipates that by the end of the second term, it will enter into a partnership agreement with Lambeth Council to engage a Construction Coordinator who will oversee a programme designed to minimise the negative impact of major development and construction activity in the area.

Similarly, it is envisaged that a new set of arrangements for managing and coordinating enforcement action - especially illegal trading - will be agreed and implemented, in partnership with Lambeth Council and the Metropolitan Police.

OVERVIEW OF THIRD TERM

Strategic need

South Bank BID is clear that there is a strategic need for the BID to continue its work for a third term. This reflects the clear added value that the BID has delivered in its first two terms, and the ongoing pressures and challenges that the South Bank neighbourhood faces. This includes the ongoing need to ensure that the visitor economy and its impacts are successfully managed.

The visitor economy is complex, comprising numerous tourism, arts and culture, hospitality, venues, and "experiential" operators, and is so vital to the area's identity and reputation as a leading destination. But the place management services that the BID supports and funds are critically important to residents, employers, property owners, and all those that work, study and travel through the neighbourhood.

Furthermore, these pressures and challenges require a complex, multi-partner approach to management and coordination and the BID is well placed to continue its work with SBEG, Lambeth Council, Southwark Council, the Metropolitan Police, the Greater London Authority, London & Partners, property owners, developers, and resident and community groups.

SBEG oversees and manages both the Place Management Group (PMG) and Business Watch, which meet weekly and are attended by businesses, land and property owners and a wide range of partners.

The BID has consolidated and integrated many of the safety and security services that were supported by the ERF grant, and now wholly funds these, including the two S92 officers, a dedicated security manager and the Night-Time Economy Marshals, in addition to making a financial contribution to South Bank Patrol. The BID also contributes funding to the South Bank Clean Team service, which will continue into the BID's third term, given the evident need.

The BID also fully funds all marketing activity done under the South Bank London (SBL) brand, including the ongoing management of the SBL website and its associated social media channels. The BID ensures that South Bank features prominently in relevant marketing campaigns and there remains a strategic need to ensure that South Bank is successfully promoted to key audiences and visitors. We are building on a position of strength, given the BID's involvement in the Let's Do London campaign and its role in London's Tourism Advisory Group.

The BID is actively involved in the work of South Bank and Waterloo Partnership and endorses the 2030 vision for the neighbourhood, and its priorities of an inclusive place, a place of opportunity, and a net zero carbon neighbourhood. There are relevant themes to the BID's plans for its third term, and many of the projects and services that the BID funds and supports are referenced in the document.

Consultation

The BID's approach to consulting its levy payers in relation to its third term builds on the excellent relations that it has with businesses and employers in the area. Whilst the years of the pandemic had an obvious impact on how the BID could engage with levy payers, our response to Covid strengthened our connections, and we have maintained our focus on understanding what levy payers value from the BID at a strategic and operational level.

Given SBEG's role as the BID's delivery agent, levels of engagement are exceptionally high, given that many major employers and businesses in the BID area are members of SBEG. These include Merlin, Shell, Park Plaza, National Theatre, BFI, Southbank Centre, Ogilvy, King's College London, LCR, Network Rail, Guy's and St Thomas' Hospital, and Coin Street Community Builders.

Furthermore, SBEG's membership includes many of the private landowners and developers that are active in or very close to the BID area, including Stanhope, Braeburn Estates, HB Reavis, CO-RE and Urbanest.



In terms of specific consultation and engagement with levy payers in relation to the BID's plans for its third term, we started in earnest on 7 June 2023 (16 months before the proposed start of the third term) when we launched an online survey at the BID's annual event, held at WeWork on York Road. The event was very well attended and those attending heard endorsement and support for the BID's work from senior representatives from WeWork, Merlin, and London & Partners.

The online survey and its link to the BID's third term has been promoted through various mechanisms, including a letter from the BID Chair which went to all levy payers in the area, and through the BID's e-newsletter. We have also held a series of targeted in-person roundtable discussions, which have been targeted at groups of levy payers, whether geographically or thematically. These include sessions with the major arts and cultural organisations (BFI, Southbank Centre, National Theatre); levy payers in the Southwark part of the BID; Network Rail and its tenants in Waterloo Station; and Southbank Centre and their commercial tenants.

We have also held a series of one-to-one sessions with certain levy payers, including WeWork (who have hereditaments in Lambeth and Southwark), South Western Railway (whose offices are located in Southwark, in addition to being the train operating company that serves Waterloo. SBEG's Board has been formally consulted on the BID's proposals for its third term, and the BID has presented its outline proposals at the September meeting of the South Bank and Waterloo Forum, chaired by Florence Eshalomi MP and Neil Coyle MP.

Is it clear from the consultation that we have undertaken that businesses value the existing range of services that the BID provides. Levy payers have expressed their appreciation of what the BID did during the pandemic, particularly in terms of maintaining the core services of South Bank Patrol and South Bank Clean Team, in providing additional and targeted security resources, and the work done on the successful Let's Do London campaign. Levy payers want the BID to continue with these core services and are supportive of the BID's plans to increase its work in addressing the climate challenge, and to develop its approach to data and insight.

VISION AND THEMES: PROJECTS AND SERVICES

Unified by its continued commitment to its vision of **A World Class South Bank for Everyone**, the BID's proposals for its third term are grouped under four strategic themes:

A Safe and Welcoming South Bank

A Vibrant and Promoted South Bank

A Supported and Connected South Bank

A Sustainable and Inclusive South Bank



These themes effectively capture the continuation and, where appropriate, development of many of the BID's current services that are valued by its levy payers, including its work on safety and security – **A Safe and Welcoming South Bank**, and in area promotion and destination management – **A Vibrant and Promoted South Bank**.

Importantly, we are consolidating and maintaining several services that Lambeth and others provided funding for during the pandemic, including the £0.5m ERF grant from the Council. These services include the Outreach Worker, who works with the homeless and street population around Waterloo Station, the Night-Time Economy Marshals, the ongoing provision of a dedicated Security Manager who coordinates key services – including South Bank Patrol – and the operational use of the dedicated police room in Southbank Place which the BID has funded with ERF revenues.

In continuing our important work in promoting South Bank and all that it offers to local audiences, Londoners, and domestic and international visitors, we will increasingly be doing this in a way that is guided by data, research, and insight.

Having produced – in partnership with the Council and using ERF revenues – the influential Engine of Recovery report in 2021 and building on research commissioned in 2023, the BID will continue to assess the performance of key sectors of the area's economy. We will utilise the Greater London Authority's High Street Data service, which the BID has subscribed to, and look to continue our investment in the network of footfall cameras along key parts of the BID area. We will also commission audience sentiment research.

We will share all the above as a bespoke service to levy payers as part of our **A Connected and Supported South Bank** theme. We'll continue our membership of London & Partners, the Tourism Advisory Group, Cross River Partnership, Business LDN, Centre for London, and British BIDs to ensure that South Bank's voice is heard in the complex arena of policy and politics.

The third term sees a significant and important investment in the delivery of the shared ambitions for the area to be Net Zero by 2030, following the launch in May 2023 of the "Net Zero for Waterloo and South Bank: building a greener and fairer Future Neighbourhood by 2030" report, which is a powerful example of how the BID works in partnership with Lambeth Council and others on shared ambitions.

The BID will part fund a "Net Zero Programme Lead" – an important role that will coordinate and deliver to the action plan. This role will also be supported by revenues from the London Eye S106 agreement and WeAreWaterloo. Along with the continued investment in a network of air quality monitors that are part of the *Breathe London* network, these comprise the BID's principal commitments under our **A Sustainable and Inclusive South Bank** theme.

INDICATIVE RULES

The BID currently envisages that its ballot proposition will contain the following rules:

1. The term of the BID will be for a period of five years from 1 October 2024 to 30 September 2029.
2. All properties or hereditaments with a rateable value of £50,000 or more will be liable for payment of the levy.
3. The levy rate to be paid by each property or hereditament is to be calculated as 1.5% of its rateable value as at the 'chargeable day' (notionally 1st April each year) using the 2023 ratings list for all eligible levy payers.
4. The number of properties or hereditaments liable for the levy is circa 300. New hereditaments will be charged based on the rateable value at the point of occupation.
5. From April 2025 onwards, the levy rate will be inflated by 5% year on year - i.e., it will rise to 1.58%, then 1.65% etc.
6. The levy will be charged in the first instance for the 6 months from 1 October 2024 to 31 March 2025 inclusive. It will then be charged annually in advance for each chargeable period (April to March each year). No refunds will be made.
7. The ratepayer for untenanted properties or hereditaments will be liable for payment of the levy.
8. Hereditaments within Waterloo Station that are subject to a service charge will receive a 25% discount.
9. Hereditaments owned and/or occupied by Guy's and St Thomas' NHS Foundation Trust (however so named) will be capped at a maximum of £50,000 per annum.
10. Those businesses in receipt of charitable relief on business rates will receive a reduction of 80% on their levy.

11. The levy charged to any single hereditament shall not exceed £40,000 (an increase from £30,000 in 2019).
12. The total levy paid by any single liable party in each Borough will not exceed £50,000 (an increase from £40,000 in 2019).
13. There will be no VAT charged on the BID levy.

Provided that the BID is meeting its overall objectives and subject to consultation with the BID Board, it shall have the ability to vary service delivery and expenditure allocation according to the changing demands of levy payers. However, in accordance with the BID regulations, changes to the BID boundary or to the levy rate might require an alteration ballot.

FINANCE

The BID estimates that the annual levy yield from hereditaments in the BID area will be approximately £1,494k in 2025/26 (the BID's first full financial year of its third term) and it planned that this income shall grow by 5% each year, in line with inflation. There is a good degree of certainty with this projection, although no official valuations have yet been produced for hereditaments in The Sidings. The BID has commissioned an independent report on The Sidings to guide its financial projections.

The BID's proposed third-term activities and services will cost approximately £1,632k in 2025/26, and these will increase, on average, by 5% each year.

Over the five years of the BID's third term, it is estimated that it will raise approximately £7,927k. Throughout the third term the BID will draw on its existing financial reserves to bridge the gap between income and expenditure. A contingency figure of £367k has been incorporated into the BID's expenditure projections over the five years of the BID's third term.

Two of the services that the BID funds – South Bank Patrol and South Bank Clean Team – are also funded by revenues from the London Eye S106 agreement. Merlin Entertainments, the operators of the London Eye, have recently submitted a planning application to Lambeth for the so-called “lifetime extension” to the Eye's existing planning permission.

In its application to Lambeth, Merlin is proposing to continue the innovative S106 mechanism, whereby 1% of the Eye's turnover is invested back into core neighbourhood services, including South Bank Patrol, South Bank Clean Team, and the management and maintenance of Jubilee Gardens.



Any changes to the London Eye S106 arrangement will potentially impact the BID's finances, given the co-funded arrangements for South Bank Patrol and South Bank Clean Team.

GOVERNANCE

South Bank BID is overseen by the South Bank BID Board, the members of which are drawn from local businesses and employers within the South Bank area. Board members collaborate on issues and projects concerning the future of South Bank, pooling their expertise and influence to effect positive change. They act through a desire to improve the quality of the area in line with the BID's strategic vision. The Board meets quarterly, and its Finance Sub-Group meets as required.

The Board holds an Annual General Meeting along with an annual meeting to which all levy payers are invited. The Board oversees and approves an annual business plan, and this is uploaded to the BID's website, along with the Directors' Reports and Annual Accounts and other relevant documentation.

The BID will undertake a strategic review of its governance arrangements before the start of its third term, if successful at ballot. This will ensure that the Board is fully reflective of the BID's business community, including the small and medium-sized businesses that are such an important part of the area.

RELATIONSHIP WITH LONDON BOROUGHS OF LAMBETH AND SOUTHWARK

Both Lambeth Council and Southwark Council appoint two observers to the BID Board, of which one is usually a local ward Councillors. Officers from both local authorities are welcome to attend all Board meetings, and the BID's delivery team has positive and constructive relations with relevant local authority teams.

South Bank BID requires an operating agreement with each borough, and these should be reviewed and updated in advance of the start of the BID's third term.

Both Councils provide regular reports to the BID's delivery team on levy payments, changes to hereditaments, aged debt, and any changes in rateable values. Both Councils invoice the BID on an annual basis for these services.

APPENDICES

[Appendix 1: Income and Expenditure summary](#)

[Appendix 2: Map of the South Bank BID area](#)

[Appendix 3: List of Street Names in the BID area](#)



Appendix 1: Income and Expenditure summary

Five year Income and Expenditure Forecast with 5% inflation uplift for the period ending 30th September 2029									
Income	6 months to 31st March					6 months to 30th Sept		Total	% of income
	2025 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	2029 £000's	£000's		
BID LEVY	660,000	1,360,000	1,440,000	1,497,000	1,556,000	830,000	7,343,000	92.63%	
BID LEVY (new developments)	25,000	52,500	55,125	57,881	60,775	63,814	315,096	3.97%	
other income	9,000	15,000	15,000	12,000	12,000	6,000	69,000	0.87%	
S106	16,667	16,667	16,667				50,000	0.63%	
Sponsorship	50,000	50,000	50,000				150,000	1.89%	
Total	760,667	1,494,167	1,576,792	1,566,881	1,628,775	899,814	7,927,096	100%	
Expenditure								% of expenditure	
Safe and Welcoming	303,205	696,730	731,567	768,145	806,552	423,440	3,729,639	43%	
Vibrant and Promoted	214,124	400,110	416,616	368,946	387,144	203,125	1,990,066	23%	
Supported and Connected	73,106	148,097	155,402	163,072	171,125	89,791	800,591	9%	
Sustainable and Inclusive	18,527	38,907	40,852	42,895	45,040	23,646	209,867	2%	
BID Administration									
Management	77,341	151,316	158,282	166,096	174,276	91,670	818,981	9%	
External Memberships	22,859	48,004	50,404	52,924	55,571	29,175	258,937	3%	
Rent	25,125	52,763	55,401	58,171	61,079	32,067	284,605	3%	
Levy Collection	13,392	27,958	29,361	30,748	32,157	16,794	150,411	2%	
Renewal Budget						35,000	35,000	0%	
5% contingency on levy fees	33,000	68,000	72,000	74,850	77,800	41,500	367,150	4%	
Total	780,678	1,631,885	1,709,884	1,725,847	1,810,744	986,207	8,645,246	100%	
Surplus/deficit in the year	-20,012	-137,718	-133,092	-158,966	-181,969	-86,393	-718,151		
Reserves B/F	841,597	821,585	683,867	550,775	391,808	209,840	841,597		
Cumulative surplus/deficit	821,585	683,867	550,775	391,808	209,840	123,446	123,446		



Five year Income and Expenditure Forecast with 3% inflation uplift for the period ending 30th September 2029									
Income	6 months to 31st March					6 months to 30th Sept		Total	% of income
	2025	2025/26	2026/27	2027/28	2028/29	2029			
	£000's	£000's	£000's	£000's	£000's	£000's			
BID LEVY	660,000	1,341,000	1,398,000	1,430,000	1,464,000	749,000	7,042,000	92.90%	
BID LEVY (new developments)	25,000	51,500	53,045	54,636	56,275	28,982	269,439	3.55%	
other income	9,000	15,000	15,000	12,000	12,000	6,000	69,000	0.91%	
S106	16,667	16,667	16,667				50,000	0.66%	
Sponsorship	50,000	50,000	50,000				150,000	1.98%	
Total	760,667	1,474,167	1,532,712	1,496,636	1,532,275	783,982	7,580,439	100%	
Expenditure								% of expenditure	
Safe and Welcoming	298,440	674,786	695,030	715,881	737,357	379,739	3,501,233	42%	
Vibrant and Promoted	214,124	400,110	413,106	361,646	375,754	195,228	1,959,968	24%	
Supported and Connected	73,106	148,097	153,692	159,515	165,576	85,943	785,928	9%	
Sustainable and Inclusive	18,527	38,166	39,311	40,490	41,705	21,478	199,677	2%	
BID Administration									
Management	77,341	148,822	152,927	157,655	162,510	83,997	783,253	9%	
External Memberships	22,859	47,090	48,502	49,957	51,456	26,500	246,364	3%	
Rent	25,125	51,758	53,310	54,910	56,557	29,127	270,786	3%	
Levy Collection	13,392	27,545	28,352	29,118	29,908	15,360	143,675	2%	
Renewal Budget						35,000	35,000	0%	
5% contingency on levy fees	33,000	67,050	69,900	71,500	73,200	37,450	352,100	4%	
Total	775,914	1,603,424	1,654,129	1,640,672	1,694,023	909,823	8,277,985	100%	
Surplus/deficit in the year	-15,247	-129,257	-121,418	-144,035	-161,748	-125,841	-697,546		
Reserves B/F	841,597	826,350	697,093	575,675	431,640	269,892	841,597		
Cumulative surplus/deficit	826,350	697,093	575,675	431,640	269,892	144,051	144,051		



Appendix 2: Map of the South Bank BID area



Appendix 3: List of Street Names in the BID area

ADDINGTON STREET
ALBERT EMBANKMENT
BALCONY, WATERLOO STATION
CHARLIE CHAPLIN WALK
BARGEHOUSE STREET
BELVEDERE ROAD
BLACKFRIARS ROAD
BROADWALL
CAB ROAD
CARLISE LANE
CASSON SQUARE
CHICHELEY STREET
COIN STREET
COLONNADE, WATERLOO STATION
CONCERT HALL APPROACH
CORNWALL ROAD
DOON STREET
DUCHY STREET
EXTON STREET
GABRIEL'S WHARF
HATFIELDS
HUNGERFORD BRIDGE
LAMBETH PALACE ROAD
LAMBETH ROAD
LEAKE STREET
MAINLINE CONCOURSE, WATERLOO STATION
MEPHAM STREET
MILNER PLACE
ROYAL STREET
SECKER STREET
STAMFORD STREET
TENISON WAY
THE QUEENS WALK
THE SIDINGS, WATERLOO STATION
UPPER GROUND
UPPER MARSH
WATERLOO BRIDGE
WATERLOO ROAD
WESTMINSTER BRIDGE ROAD
YORK ROAD

